

## **Tier 1 models and reporting considerations**

Financial reporting periods ending on or after  
31 December 2025

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# Introduction

## The demand for consistent and transparent communication has never been more critical

The year ending 31 December 2025 marks a significant turning point for Australian reporting, with mandatory sustainability reporting requirements coming into effect. The introduction of these requirements reflects a broader shift towards greater transparency and accountability on environmental, social, and governance (ESG) matters, combining financial and climate-related perspectives and responding to rising expectations from investors, regulators, and the broader community.

A central feature of the new sustainability reporting framework is the requirement for strong connectivity between climate-related disclosures and the other information provided in the annual report, including financial statements and the directors' report. This integrated approach is designed to provide users with a coherent, consistent view of an entity's performance and prospects, reducing the risk of greenwashing and enhancing confidence in reported information. Boards and management need to implement and maintain robust processes to ensure that narrative and financial disclosures are aligned and substantiated by evidence. Notwithstanding this, sustainability and financial reporting have different perspectives and time horizons and where connectivity is not possible, clear and transparent explanations will enhance investor trust and understanding.

ASIC recently announced its focus areas for 2025-2026, including enduring topics, such as impairment and asset values, revenue, provisions, disclosures and subsequent events, as well as specific focus areas for the next reporting period. ASIC will specifically focus in 2025-2026 on review of sustainability reports of "Group 1" entities with the purpose of sharing observations to assist the market in navigating new climate-related reporting requirements. In addition to that, ASIC announced a broad surveillance program focused on non-lodgement of financial reports signalling its continued focus on monitoring the compliance with the lodging requirements.

The reporting environment is further complicated by ongoing geopolitical tensions and global trade and macroeconomic uncertainties. Disruptions to supply chains, fluctuating commodity prices, and changing trade dynamics continue to impact business operations and financial performance. These factors heighten the need for transparent disclosure of the potential impacts of such events on an entity's financial position, performance and cash flows. Entities must remain vigilant, ensuring that financial statements and accompanying disclosures provide a realistic and up-to-date reflection of the risks and uncertainties faced by the business.

September 2025



"Mandatory sustainability reporting brings climate-related risks and opportunities into sharp board and investor focus"

**Alison White**  
**National Leader**  
**Accounting & Corporate Reporting**

# Key considerations for 31 December 2025



This section provides pertinent information for corporate reporting at 31 December 2025, including what's new for the current reporting season, a summary of new and revised pronouncements, developments in sustainability reporting and reporting deadlines.

## In this section

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# A. What's new in corporate reporting?

This section provides an overview of the key corporate reporting considerations for financial reporting periods ending on 31 December 2025.

## Roadmap to this section

| Topic                                                                 | What is covered                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A1 Key corporate reporting considerations for 31 December 2025</b> | An easy-to-follow summary of the key changes and other considerations for corporate reporting at 31 December 2025                                                                                                                  |
| <b>A2 Ongoing financial reporting considerations</b>                  | <ul style="list-style-type: none"> <li>• Key considerations for financial reporting</li> <li>• Key publications</li> </ul>                                                                                                         |
| <b>A3 Key global financial reporting developments</b>                 | <ul style="list-style-type: none"> <li>• Global agreement on corporate taxation</li> <li>• Lack of exchangeability</li> <li>• Recent IFRIC agenda decisions</li> </ul>                                                             |
| <b>A4 Australian specific considerations</b>                          | <ul style="list-style-type: none"> <li>• Accounting and reporting implications of recent Australian government initiatives</li> <li>• ASIC focus areas and findings</li> <li>• Consolidated entity disclosure statement</li> </ul> |

The information in this section was prepared as of 24 September 2025 and entities should ensure any developments occurring from this date to the date of authorising of the financial statements are appropriately considered. This publication is updated twice yearly (for June and December reporting periods) and the latest edition can be found at [www.deloitte.com/au/models](http://www.deloitte.com/au/models).

Financial report preparers should consider their own specific circumstances when preparing their financial reports and ensure they fully consider all the requirements in the sections that follow.

Our *Corporate reporting update* series provide insights into the latest changes in reporting requirements and the key challenges for the upcoming reporting season from leading specialists in corporate reporting from our Accounting & Corporate Reporting team. *Corporate reporting updates* can be accessed at [www.deloitte.com/au/cfru](http://www.deloitte.com/au/cfru)

# A1 Key corporate reporting considerations for 31 December 2025



## Climate reporting

Mandatory climate-related reporting commences in Australia for “Group 1” entities from 1 January 2025 for entities with December year ends and 1 July 2025 for entities with June year ends. Entities need to ensure that they have implemented all the requirements and provided information in the sustainability report that is connected to and consistent with the financial report. Read our analysis of the new mandatory requirements in section B.



## Transparent reporting in the current economic, global trade and geopolitical environment

Current economic conditions and global trade challenges require a wide-ranging response in financial reporting in areas such as impairment, provisions, expected credit losses, contract modifications and liquidity risk management.

Introduction of new import or export tariffs and uncertainties in respect of proposed tariffs and their impacts on business and operations may affect financial reporting in various ways. Entities should evaluate how these factors affect their financial reports, ensuring they reflect economic realities and associated risks and disclose key judgements and uncertainties.

Section A2 provides more detail on these areas.



## ASIC surveillance activities and focus areas

ASIC announced its focus areas for 2025-2026 financial year, which include enduring and specific items. These focus areas are the first to be issued on an annual basis, and as a result they cover December 2025 reporting periods. More information can be found in section A4.2.



## Amended standards and requirements

New requirements apply in full-year financial statements for the first time:

- Requirements to apply an estimated spot exchange rate if the currency is not exchangeable and provide additional disclosures that enables users to understand how the currency's **lack of exchangeability** affects the entity's financial position, performance and cash flows.
- Amendments to the consolidated entity disclosure statement requirements clarifying **tax residency disclosures**.

More details can be found in sections A3.2 and A4.3.



## Pillar Two

With enactment of Pillar Two legislation in Australia and various stages of enactment around the world, current tax expense disclosure is required, along with additional disclosures to allow users to understand the impact of Pillar Two on the entity. More information can be found in section A3.1.

## A2 Ongoing financial reporting considerations

### A2.1 Key considerations for financial reporting

Australian businesses are navigating a volatile business environment, characterised by moderating but ongoing inflation, a resilient labour market, and ongoing cost-of-living pressures that are reshaping consumer behaviour. Global uncertainties — ranging from uncertainty around tariffs, geopolitical risks and extreme weather events to cyber threats and supply chain disruptions — may further affect business performance and financial position.

An important response to the challenges is to enhance the transparency of the financial report so that readers understand the impacts on the entity and the decisions, judgements and uncertainties involved in compiling the financial report.

With the introduction of mandatory climate reporting, regulators and stakeholders pay particular attention to climate-related matters and their effect on financial reporting. Achieving connectivity between information in the financial statements and disclosures provided elsewhere in the annual report is important as it helps entities provide a comprehensive view of their financial position and performance.

One of the ASIC's enduring focus areas is disclosure, and entities should expect continued rigorous regulatory scrutiny.

Recent introduction of tariffs by various countries as well as expectations of future tariffs and related uncertainties affect global trade, supply and demand at various markets, supply chains, and investment decisions. Imposition of tariffs may have indirect effects on different macroeconomic indicators, including economic growth, inflation and currency fluctuations. Entities should consider how these changes may affect their operations and financial reporting.

Below is a summary of possible effects of the introduction of new tariffs on financial reporting as well as the key considerations for accounting and financial reporting of broader uncertainties relevant to financial statements prepared as at 31 December 2025.



| Accounting implications <sup>1</sup>       | Tariffs                                                                                                                     | Inflation                                                                    | Foreign currency exchange rates                                              | Prices for goods and products sold                | Customers' demand and sales volumes              | GDP growth rates                           | Cost of inventory and other assets                                           |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------|
| <b>Asset values, including impairment</b>  | Impairment indicator<br>Future cash flows                                                                                   | Future cash flows                                                            | Future cash flows<br>denominated in a foreign currency                       | Future cash flows                                 | Future cash flows<br>Remaining useful life       | Future cash flows<br>Terminal growth rates | Future cash flows<br>Carrying amount                                         |
| <b>Provisions</b>                          | Future cash flows<br>Onerous contracts                                                                                      | Future cash flows                                                            | Future cash flows if<br>denominated in a foreign currency                    | Onerous contracts                                 | Onerous contracts                                |                                            | Future cash flows<br>Onerous contracts                                       |
| <b>Employee benefits</b>                   | Performance conditions                                                                                                      | Defined benefit pension plans                                                | Performance conditions                                                       | Performance conditions                            | Performance conditions                           | Performance conditions                     | Performance conditions                                                       |
| <b>Fair value of financial instruments</b> | Financial assets measured at FV                                                                                             | Equity investments<br>Derivatives                                            | Financial instruments<br>denominated in a foreign currency                   | Equity investments<br>Commodity-based derivatives | Equity investments                               | Equity investments                         | Equity investments                                                           |
| <b>Expected credit losses</b>              | If customers are affected by tariffs                                                                                        |                                                                              | Financial assets<br>denominated in a foreign currency                        | Trade receivables                                 |                                                  |                                            |                                                                              |
| <b>Compliance with debt covenants</b>      | Earnings-based covenants                                                                                                    |                                                                              | Debt to equity, Debt to EBITDA, Interest coverage                            | Earnings-based covenants                          | Earnings-based covenants                         |                                            | Earnings-based covenants                                                     |
| <b>Inventory</b>                           | NRV allowance                                                                                                               |                                                                              | NRV allowance                                                                | NRV allowance                                     | NRV allowance                                    |                                            | NRV allowance                                                                |
| <b>Income taxes</b>                        | DTA recoverability                                                                                                          | DTA recoverability                                                           | DTA recoverability                                                           | DTA recoverability                                | DTA recoverability                               | DTA recoverability                         | DTA recoverability                                                           |
| <b>Revenue recognition</b>                 | Percentage of completion of performance obligations satisfied over time<br>Variable consideration<br>Contract modifications | Percentage of completion<br>Variable consideration<br>Contract modifications | Percentage of completion<br>Variable consideration<br>Contract modifications | Variable consideration<br>Contract modifications  | Variable consideration<br>Contract modifications |                                            | Percentage of completion<br>Variable consideration<br>Contract modifications |

<sup>1</sup> In addition to the potential effects illustrated in the table, most of the mentioned factors as well as the increased uncertainty might also affect discount rates used in various measurements, including provisions, impairment assessments, fair valuation, employee benefits and other measurement models which are based on the present value of future cash flows.

### **Disclosure is your friend: significant judgements and estimation uncertainty**

The current economic, geopolitical and climatic environment naturally leads to varying forecasts of future conditions, demand and indicators. Different entities will develop varying forecasts and make differing assumptions and judgements when preparing financial statements. Regulators will have their own views.

Making transparent disclosures:

- **Areas likely to be affected** – this might include impairment of assets, fair values of assets, expected credit losses associated with loans and receivables, provisions, recovery of deferred tax assets, and judgemental accounting policies
- **When to disclose** – if an assumption, forecast or judgement has a material impact on the financial statements, and likely or possible changes would impact reported financial performance or position
- **What to disclose** – entity-specific and transparent information that allows users to understand the nature of assumption, uncertainty or judgement and the potential impacts on financial performance or position
- **Sensitivity and scenario analyses** – these can provide important information and context to disclosures
- **Documentation** – disclosures impacted by significant judgements and estimation uncertainty should be supported by documented positions.

# Key considerations for financial reporting

## Climate-related considerations in the financial report



Entities should aim at achieving connectivity when reporting climate-related risk matters and their effects on the entity's financial position and performance across different components of the annual report:

- Consistency of information and assumptions disclosed in the financial statements and other climate-related disclosures, if there are any deviations between assumptions used in the financial statements and information presented elsewhere as part of the annual report a reasonable explanation should be provided
- Avoidance of repetition and cross-referencing – information disclosed about climate-related matters should be specific and useful to understanding particular effects on the financial report (e.g. impairment of non-financial assets, provisions, useful lives of non-current assets, green financing) with links used within and across different components of the financial report and consistent language used throughout the annual report.

Please refer to topics below for more specific climate-related considerations.

## Operating and financial review (OFR)



ASIC expects high-quality OFRs including the disclosure of material business risks and information about the entity's strategies and prospects:

- Disclosures should be tailored to the individual circumstances of the entity and the business environment in which it operates, consistent with the annual financial report, balanced and unambiguous and presented in a clear, concise and effective manner (see [ASIC Regulatory Guide RG 247 Effective disclosure in an operating and financial review](#))
- ASIC has a strong focus on material business risks, including risks and opportunities related to climate change, cyber security and artificial intelligence, and greenwashing
- OFR should contribute to connectivity of information by playing an expanded role in situating strategy, risks and opportunities related to climate change within the broader context of the corporate strategy and future prospects

- Non-IFRS measures should not be given undue prominence, be reconciled to IFRS measures and consistently determined from period to period
- Entities should ensure consistency between information disclosed in the OFR and financial statements – if a risk is discussed in the “front” section of the report, users would expect to understand how it affects the financial statements.

## Impairment



Economic conditions, changes and uncertainties affecting business, like the introduction of new tariffs, may be pervasive to an entity's impairment testing:

- Entities need to assess how to respond to uncertainties (e.g. adjusting discount rates or undertaking a probability-weighted approach)
- Market capitalisation can be an indicator of impairment but is not a measure of recoverable amount
- Consider impacts of higher costs of production or supply interruptions and changes
- Consider the effects on sale volumes
- Build in sales price increases where reasonable
- Ensure energy price forecasts are reasonable
- Ensure discount rates and terminal values reflect current interest rate actualities and expectations
- Consider whether an indicator of impairment reversal exists
- Ensure connectivity of information disclosed in respect of climate-related risks and opportunities in the sustainability report and assumptions applied for impairment models and consider additional disclosures to increase transparency and clarity
- Include meaningful, entity-specific disclosures, focus on key assumptions and sensitivity analyses, and consider scenario analyses.

## Provisions



Unrecorded and under-recorded liabilities have been a long term focus of regulators:

- Non-recognition of provisions on the basis of not being able to reliably measure the provision is extremely rare
- Onerous contracts may arise due to changes in economic conditions, e.g. where increased costs cannot be passed on under a fixed price or non-inflation linked customer contracts
- The measurement of longer term provisions (such as decommissioning costs) and pension liabilities may be materially impacted by interest rate changes and expectations
- Long term employee provisions should reflect current wage increase expectations
- Provisions related to climate-related commitments and activities are only recognised where the recognition criteria are met.

## Revenue recognition



Regulatory scrutiny of revenue recognition policies continues to be high:

- The requirement that variable consideration should only be included in revenue where it is highly probable it will not result in a significant reversal may require re-estimation in areas such as customer returns or liquidated damages
- When revenue contracts allow price adjustments due to changes in tariffs, such changes should be accounted as variable consideration
- Renegotiated customer contracts may trigger contract modification accounting
- Entities should ensure that they use reasonable and supportable forecasts in respect of revenue and costs when assessing the percentage of completion for long-term contracts where revenue is recognised over time
- Where relevant, ensuring connectivity between disaggregated revenue and disclosures in the financial report and climate-related risks and opportunities disclosed in the sustainability report
- The ability of the entity to pass-on increased costs or new tariffs to customers and related uncertainties should be disclosed in the operating and financial review.

## Expected credit losses



Expected credit losses on trade and other receivables relies on forward looking information:

- Ensure models, judgements and assumptions reflect current economic data and expectations, and, where relevant, are consistent with information about climate-related risks and opportunities disclosed in the sustainability report
- Disclosures should enable users to understand the effect of credit risk on the amount, timing and uncertainty of future cash flows, including movements in expected credit loss allowance and credit risk exposure.

## Inventories



Inventories are measured at the lower of cost and net realisable value:

- Tariffs, inflation and cost of living increases may lead to products becoming less affordable
- Inventories may include inflationary impacts, recently imposed tariffs and abnormal costs, heightening the possibility of cost exceeding net realisable value
- Introduction of new tariffs and increased cost of goods may change the demand for goods and slow down inventory turnover, which may lead to obsolescence allowances
- Where current period climate-related events have occurred, ensure consistency between the sustainability report and financial statement disclosures.

## Fair value measurements



Determination of fair value often involves significant judgement:

- Economic conditions may require changes in valuation techniques or changes in classification in the "fair value hierarchy" (often to or from Level 3)
- There has been recent market volatility in publicly traded financial instruments
- ASIC is increasing its focus on the valuation of unlisted investments and entities should ensure they have thorough documentation and support for valuations
- Where climate-related matters materially impact fair value measurements, disclosures should include how the impact has been incorporated and any significant uncertainties
- Introduction of tariffs and related uncertainties may affect the analysis of the principal or most advantageous market for an asset or liability, as well as the fair values of potentially affected assets.



## Subsequent events



Material subsequent events should be assessed to determine if they should be adjusted or disclosed in the financial statements:

- Forward-looking calculations such as impairment assessments and expected credit loss calculations should consider conditions and foresight at the reporting date and not use the benefit of hindsight
- Non-adjusting subsequent events which are expected to materially affect an entity's business need to be disclosed in such a way to provide meaningful insight for the users.

## Liquidity risk management



Liquidity is central to an entity's ability to continue as a going concern:

- Liquidity disclosures are particularly important where uncertainty exists and where banks have tightened lending criteria
- Clear disclosure should be made of working capital enhancements such as supplier financing arrangements
- As deteriorating economic conditions or market developments, such as new tariffs, may affect an entity's ability to comply with covenants included in loan arrangements, an entity should consider providing relevant disclosure about such covenants and the impact of potential breaches
- Information about the impacts of climate-related risks and opportunities on liquidity risk management may be necessary in some cases, and should be consistent with information included in the sustainability report whilst avoiding unnecessary duplication.

## Complex financing arrangements



Features in financing arrangements may change the accounting treatment:

- Transactions such as raising capital, supplier finance arrangements and borrowing facilities may involve features that change the accounting treatment for example debt versus equity, sale or financing of a sale and leaseback, embedded derivatives or compound financial instrument accounting for financing facilities that contain linkages to non-standard variables, such as green bonds, as well as own use supply contracts versus derivatives, for example in respect of power purchase agreements .

## Going concern



Disclosure is required where assessing going concern involved significant judgement:

- Recent going concern issues, for example in the building and construction industry, have highlighted that specific industries are more vulnerable to the challenges posed by current economic conditions than others
- Key considerations include any negative market or regulatory changes (e.g. introduction of tariffs), operational disruptions, potential diminished demand, contractual obligations, potential liquidity and working capital shortfall and access to capital
- The assessment of going concern needs to cover a period until at least, but not limited to, the next 12 months from the end of the reporting period.

## Payment of dividends



Consider all appropriate accounting, legal and tax aspects before declaring a distribution:

- Because of interpretational issues around the legal and tax requirements for dividends, care is needed if a distribution is proposed to be paid other than out of current year profits
- Consider indirect accounting implications e.g. possible current and deferred tax impacts of paying dividends up from subsidiaries
- Directors should consider the impact of uncertainties on their legal obligations when declaring dividends.



## Deferred tax assets



Recoverability of deferred tax assets should be reviewed at the end of each reporting period:

- A reduction in current-period income or the incurrence of losses, coupled with a reduction in forecast income (for example, as a result of the introduction of new tariffs), could result in a reassessment of whether it is probable that some or all of an entity's deferred tax assets are recoverable
- If there is a history of recent tax losses, convincing evidence of future taxable profits should be available to recognise a deferred tax asset arising from unused tax losses in excess of a net taxable temporary difference position
- Proper disclosure of entity-specific information about the nature of evidence supporting the recognition of deferred tax assets when there is a recent history of losses, and judgements and estimates used to determine deferred tax, including relevant sensitivities and/or the range of possible outcomes in the next 12 months.

## One-off gains and losses



Material one-off gains and losses should be presented or disclosed separately in line with the following principles:

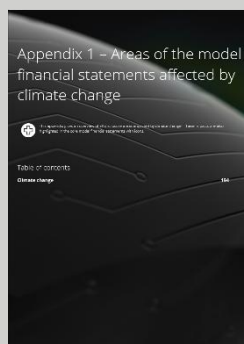
- When determining whether a material item of gains or losses should be presented separately in the statement of profit or loss, consideration should be given to nature and magnitude of the item and rationale for creating additional line item and its usefulness
- Presentation of one-off gains and losses in the statement of profit or loss should be consistent with the nature of the item, which does not depend on whether the item is non-recurring
- Presentation of items as being “extraordinary” is prohibited by AASB 101 *Presentation of Financial Statements*
- Additional narrative disclosure about material one-off gains or losses should clearly explain the nature of the gain or loss so that users can understand its cause and effect on the financial statements and entity.

## A2.2 Key publications

Outlined below are various resources that may assist entities in understanding and responding to the financial reporting considerations arising from the current economic environment.



**Clarity publication** ASIC releases results of first integrated surveillance program and December 2023 focus areas



**Appendix 1 to this publication** outlines climate-related matters to consider in financial statements



**A Closer Look** IAS 36 Impairment of non-financial assets - reminders and hot topics



**iGAAP in Focus** Closing Out – Areas of focus for financial and sustainability reporting (September 2025)



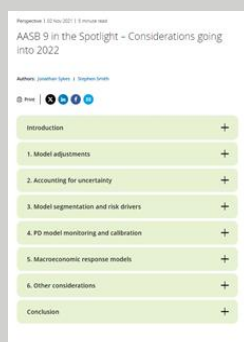
**iGAAP in Focus** Reporting in uncertain times: Impact of recent events in the banking sector



**iGAAP in Focus** Financial reporting considerations related to the Russia-Ukraine War



**iGAAP in Focus** IFRS Foundation updates educational material on the requirements of IFRS Standards relevant for going concern assessment



**AASB 9 in the Spotlight** Considerations going into 2022



**Clarity publication** - Not-for-profit 2023 financial reporting update

# A3 Key global financial reporting developments

## A3.1 Global agreement on corporate taxation

### A3.1.1 Background

In October 2021 Australia and over 130 other countries endorsed proposed international corporate tax reforms to address the challenges arising from the digitalisation of the economy. The reforms consist of two “pillars” that were developed by the OECD Inclusive Framework on [Base Erosion and Profit Shifting](#) (BEPS):

- **Pillar One** would reallocate taxing rights to countries where goods and services are consumed. This reallocation would only apply where a multinational has global revenues exceeding EUR20 billion per annum and where profit-before-tax to revenue ratio exceeds 10 per cent. Extractives and regulated financial institutions would not be subject to this pillar and it was originally anticipated the Pillar One reforms would be implemented in 2024 but implementation has been delayed<sup>2</sup>
- **Pillar Two** would operate to ensure a minimum rate of taxation of 15% and would apply to entities with global revenues of at least EUR750 million. Where entities have operations operating in low tax jurisdictions, the ultimate parent entity would be subject to additional “top up” tax on low or zero taxed profits. Pillar Two consists of three components, the Income Inclusion Rule (applied at the ultimate parent level), and Undertaxed Profits Rule (UTPR, applied where the ultimate parent’s jurisdiction doesn’t have an Income Inclusion Rule) and an optional Domestic Minimum Tax (also called Qualified Domestic Minimum Top-Up Tax, or QDMTT) applying the tax at the country level. There are numerous complexities, exceptions, and transitional provisions and many of the tax calculations rely on accounting information. During 2024, many jurisdictions enacted legislation, with most countries applying the regime to income years commencing on or after 1 January 2024.

### A3.1.2 Recent global developments

On 26 June 2025, US Treasury Secretary Scott Bessent [announced](#) that a “joint understanding” had been reached among G7 countries in relation to the interaction of Pillar Two and the US tax system.

Subsequently, on 27 June 2025, the government of Canada (which currently holds the G7 presidency) released a [G7 statement](#) describing the framework for the “shared understanding”. The framework is designed to preserve protections against base erosion and profit shifting and provide greater certainty and stability to the international tax system.

The G7 statement announced a “side-by-side” system would exist that would exclude US parented groups from the Pillar Two income inclusion rule (IIR) and undertaxed profits rule (UTPR) on both US and non-US profits in recognition of the existing US minimum tax rules to which they are subject.

The proposed side-by-side solution will be considered by the OECD BEPS jurisdictions with a view to enabling widespread implementation by jurisdictions that have implemented Pillar Two.

### A3.1.3 Which Australian entities are affected?

Pillar Two legislation applies to entities that have global revenue of at least EUR750 million (approximately \$1.2 billion) per annum. As a result, in the Australian context, it may be applicable to many ASX listed entities, large privately held entities and investment entities. Australian subsidiaries of ultimate parent entities that operate in a jurisdiction where the Pillar Two rules have not been implemented may also be affected.

Although a broad group of entities may be within the regime, a smaller subset of entities are expected to pay top up tax amounts under Pillar Two. However, entities are expected to document their assessment to meet tax law requirements.

<sup>2</sup> On 13 January 2025, the OECD [announced](#) the release of a [statement](#) from the co-chairs of the [OECD/G20 Inclusive Framework on BEPS](#) providing an update on the progress made in developing a final package relating to Pillar One of the two-pillar solution to address

the tax challenges arising from the digitalization of the economy, as negotiations continue. Pillar One taxes are not considered further in this publication.

### A3.1.4 Australian implementation

The primary legislation implementing the Pillar Two regime and comprising of three Bills<sup>3</sup> received Royal Assent on 10 December 2024. The subordinate legislation ([the Rules](#)), that contains the substantive computational rules to work our Pillar Two liabilities, was registered by the Treasurer on 23 December 2024. After both primary and subordinate legislation were finalised, Pillar Two legislation became substantively enacted in Australia from 23 December 2024.

The Australian rules commenced for income years starting on or after 1 January 2024 for the income inclusion rule (IIR) and domestic minimum tax (QDMTT), while the undertaxed profits rule (UTPR) commenced for income years starting on or after 1 January 2025.

At the date of finalisation of this publication (24 September 2025), there have been no developments in relation to implementing the “side-by-side” system mentioned in the G7 statement (discussed above) in the Australian context. Accordingly, entities should recognise and measure current taxes arising under Pillar Two using the enacted legislation.

### A3.1.5 Accounting considerations

The Pillar Two reforms act to effectively introduce an additional income tax for impacted entities, at least at the consolidated level. Given the complexities of the Pillar Two rules, determining deferred taxes would be complex. Due to this complexity, the AASB released [AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules](#) in June 2023, addressing these accounting implications. The amendments prohibit the recognition or disclosure of information about deferred taxes related to Pillar Two income taxes<sup>4</sup>.

Entities must disclose that they have applied the exception, including at 31 December 2025 (where material). The impact of Pillar Two on the current tax expense or income should be disclosed for jurisdictions, like Australia, where legislation is effective in the current financial year.

### A3.1.6 Financial statement impacts

As Pillar Two legislation passed in Australia before 31 December 2025, the impact of Pillar Two on the current tax expense or income should be disclosed in respect of Income Inclusion Rate (IIR) and Domestic Minimum Tax (DMT) as these components are effective for income years beginning on or after 1 January 2024. In addition, entities are required to recognise any current tax expense or income arising under the Undertaxed Profits Rule (UTPR) that is effective in Australia from income years beginning on or after 1 January 2025.

#### More information



[Clarity publication](#) **Responding to Pillar Two**



[Tax Insights](#) **ATO releases first Pillar Two guidance – take ‘reasonable measures’ to comply**



[Tax Insights](#) **Australia enacts Pillar Two legislation – 7 January 2025**



[iGAAP in Focus](#) **IASB amends IAS 12 to introduce a temporary exception from accounting for deferred taxes arising from OECD Pillar Two model rules**

<sup>3</sup> The Bills are [Taxation \(Multinational—Global and Domestic Minimum Tax\) Act 2024](#), [Taxation \(Multinational—Global and Domestic Minimum Tax\) Imposition Act 2024](#) and [Treasury Laws Amendment \(Multinational—Global and Domestic Minimum Tax\) \(Consequential\) Act 2024](#).

<sup>4</sup> [AASB 2023-4 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures](#) implements similar requirements for Tier 2 financial reports.

## A3.2 Lack of exchangeability

In October 2023 the AASB issued AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*. The amendments changed accounting requirements of AASB 121 *The Effects of Changes in Foreign Exchange Rates* and added new disclosures relating to non-exchangeable currencies affecting an entity's financial statements.

The amendments added guidance on how to assess whether a currency is exchangeable. In accordance with the amendments a currency is exchangeable if an entity is able to exchange that currency for the other currency - either directly or indirectly - through a market or exchange mechanism that creates enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. A currency is not exchangeable if an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose.

If the currency is not exchangeable, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how an entity estimates the spot exchange rate. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include a spot exchange rate for another purpose, or the first subsequent exchange rate after exchangeability of the currency is restored. An entity using another estimation technique may use any observable exchange rate – including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations – and adjust that rate, as necessary.

An entity is required to disclose information that enables users of its financial statements to understand how the currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows, including:

- The currency and a description of the restrictions that result in its lack of exchangeability
- A description of affected transactions and the carrying amount of affected assets and liabilities
- The spot exchange rate(s) used
- A description of estimation technique the entity used, if any, and qualitative and quantitative information about inputs and assumptions used in that estimation technique
- Qualitative information about each type of risk to which the entity is exposed because of the lack of exchangeability of the currency, and the nature and carrying amount of assets and liabilities exposed to each type of risk.

When a foreign operation's functional currency is not exchangeable into the presentation currency (or vice versa, if applicable), an entity is also required to disclose:

- The name of the foreign operation, whether the foreign operation is a subsidiary, joint operation, joint venture, associate or branch; and its principal place of business
- Summarised financial information about that foreign operation
- The nature and terms of any contractual arrangements that could require the entity to provide financial support to the foreign operation, including events or circumstances that could expose the entity to a loss.

The amendments are effective for annual periods beginning on or after 1 January 2025. In applying the amendments an entity is not permitted to restate comparative information. Instead, if the entity reports foreign currency transactions or translates a foreign operation, and at the beginning of the annual reporting period in which the entity first applies the amendments it concludes that a foreign currency or its functional currency is not exchangeable, it is required to apply the estimated spot exchange rate at that date and recognise the effect as an adjustment to the opening balance of retained earnings or to the cumulative amount of translation differences accumulated in a separate component of equity.

For an illustrative disclosure see Appendix 4: Note 2.1 *New and amended Australian Accounting Standards that are effective for the current year*.

### More information



**iGAAP in Focus Financial reporting: IASB amends IAS 21 to clarify when a currency is exchangeable and how to determine the exchange rate when it is not**



A3.3 Recent IFRIC agenda decisions

IFRIC has released several agenda decisions, including those outlined below. Entities should assess the impact of these decisions on their accounting policies and determine if changes are necessary (noting entities are entitled to “sufficient time” to do so):

- Disclosure of revenues and expenses for reportable segments (IFRS 8 Operating Segments) (July 2024):** The [agenda decision](#) requires the disclosure of the amounts listed in IFRS 8:23 (e.g. revenue, interest revenue and expense, depreciation and amortisation) for each reportable segment when those amounts are included in segment profit or loss reviewed by the chief operating decision maker (CODM) – even if not separately provided or reviewed by the CODM – or if those amounts are regularly provided to the CODM – even if not included in segment profit or loss. In addition, it was observed that IFRS 8:23(f) does not require disclosure by reportable segment of each material item of income or expense that is presented separately in the statement of profit or loss or disclosed in the notes in accordance with IAS 1:97. In determining information to be disclosed for each reportable segment, an entity applies judgement and considers the core principle of IFRS 8, which requires an entity to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. For an illustrative disclosure see Note 6 (pages 65-67) of the core model financial statements
- Climate-related commitments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets) (April 2024):** The [agenda decision](#) refers to a fact pattern when an entity, a manufacturer of household products, has publicly stated a net-zero transition commitment by publishing a detailed plan for modification of manufacturing methods in order to reduce its annual greenhouse gas emissions by at least 60% of their current level in the ninth year and to buy carbon credits to offset the remaining emissions after those nine years. The Committee concluded that whether the entity's statement of its commitments to reduce and offset its greenhouse gas emissions creates a constructive obligation to fulfil those commitments will depend on the facts of the statement and the circumstances surrounding it. Management would apply judgement to reach a conclusion at each reporting date about whether a valid expectation that the entity will fulfil the commitment is created. If management concludes that its statement creates a constructive obligation:

| Period                               | Should a provision be recognised?                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Day 1 – Commitments announcement     | <b>No provision is recognised</b><br>The constructive obligation is not a present obligation as a result of a past event, as the obligation for future costs does not exist independently of the entity's future actions to which it committed                                                                                                                                                |
| During the next nine years           | <b>No provision is recognised</b><br>The entity does not have a present obligation arising from a past event until it has emitted the greenhouse gases it has committed to offset in year nine and in subsequent years to which it has committed to offset                                                                                                                                    |
| In year nine and in subsequent years | <b>Provision is recognised if all criteria are met</b><br>The entity will incur a present obligation to offset the greenhouse gases, only if and when it emits greenhouse gases in year nine and in subsequent years. Consequently, if the entity has not yet settled that obligation and a reliable estimate can be made of the amount of the obligation, the entity recognises a provision. |

The Committee additionally observed that if a provision is recognised, the corresponding amount is recognised as an expense, rather than as an asset, unless it gives rise to, or forms part of the cost of an item that qualifies for recognition as an asset. Irrespective of whether an entity's commitment to reduce or offset its greenhouse gas emissions results in the recognition of a provision, the actions the entity plans to take to fulfil that commitment could affect the amounts at which it measures its other assets and liabilities and the information it discloses about them, as required by various IFRS® Accounting Standards

- **Guarantees issued on obligations of other entities (April 2025):** The [agenda decision](#) addresses a request about how an entity should account for guarantees that it issues. It considers several fact patterns involving the issue of contractual guarantees on obligations of a joint venture, including guarantees to make payments to a bank, a customer, or another third party in the event the joint venture fails to meet its contractual obligations under its service contracts or partnership agreements and fails to make payments when due. The Committee observed that IFRS Accounting Standards do not define “guarantees” and no single accounting standard applies to all guarantees. The Committee further observed that an entity should apply the following steps to determine the appropriate standard:

A list of all recent IFRIC agenda decisions can be found in section C2.5.

---

#### Financial guarantee – IFRS 9

1

- Consider whether an issued guarantee is a financial guarantee contract as defined in IFRS 9 *Financial Instruments*
  - The Committee noted that entities should apply judgement in interpreting the meaning of the term “debt instrument” in the definition of a financial guarantee contract as this term is not defined
- 

#### Insurance contract – IFRS 17

2

If an entity concludes it is not a financial guarantee, the entity considers whether the guarantee is an insurance contract as defined in IFRS 17 *Insurance Contracts*

---

#### Other standards

3

If an entity concludes it is neither of the above, it considers requirements of other standards, including:

- IFRS 9 for a loan commitment or a derivative
  - IFRS 15 *Revenue from Contracts with Customers* for a guarantee to a customer
  - IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* if the guarantee gives rise to a provision, contingent liability, or contingent asset.
-



# A4 Australian specific considerations

## A4.1 Accounting and reporting implications of recent Australian government initiatives

### A4.1.1 Overview

This section summarises the following recent Australian government initiatives, which have potential accounting or reporting implications:

| Initiative                                             | Applicable to                                                                                         |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>Changes to thin capitalisation rules</b>            | General class entities excluding financial entities and authorised deposit-taking institutions (ADIs) |
| <b>Petroleum Resource Rent Tax (PRRT) reforms</b>      | Entities involved in liquefied natural gas (LNG) projects                                             |
| <b>Payment Times Reporting Scheme reform</b>           | Large businesses                                                                                      |
| <b>Country-by-country reporting of tax information</b> | Australian parents of multinational groups with annual global income exceeding A\$1 billion           |
| <b>Other developments</b>                              | Various entities                                                                                      |
| <b>Unlegislated announcements</b>                      | Various entities                                                                                      |



### A4.1.2 Changes to thin capitalisation rules

In March 2024, as part of a series of measures related to multinational tax, Federal Parliament passed [Treasury Laws Amendment \(Making Multinationals Pay Their Fair Share—Integrity and Transparency\) Bill 2024](#). The amendments, among other things, amended Australia's thin capitalisation regime for most general class entities<sup>5</sup> with new interest limitation rules applied retrospectively for income years beginning on or after 1 July 2023 and debt creation rules applying for income years beginning on or after 1 July 2024.

#### New interest limitation rules

New interest limitation rules, effective from 1 July 2023, marked a significant shift from the prior asset-based thin capitalisation model to an earnings-based framework. These changes were designed to limit interest deductions to better reflect an entity's economic capacity to service debt, aligning with OECD recommendations.

Under the new regime, debt deductions are limited by one of the three following tests:

<sup>5</sup> General class entities exclude financial entities and authorised deposit-taking institutions (ADIs). Accordingly, financial entities and ADIs are

not subject to the new rules and will continue to apply the previous thin capitalisation rules.

| Test                                                                                                                                                                                                                                                                                                                           | When to use                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <b>Fixed Ratio Test (FRT)</b><br><br>Limits net debt deductions to <b>30% of Tax EBITDA</b> (Tax Earnings Before Interest, Tax, Depreciation, and Amortisation) calculated in accordance with new rules in the tax law                                                                                                         | Default test; automatically applies unless a taxpayer elects GRT or TPDT |
| <b>Group Ratio Test (GRT)</b><br><br>Allows entity's net debt deductions to exceed 30% of its Tax EBITDA if the global group's <b>third-party interest ratio</b> is higher. Calculation is based on the ultimate parent's audited consolidated financial statements but with some complex adjustments                          | For multinational entities with higher global debt levels                |
| <b>Third Party Debt Test (TPDT)</b><br><br>Allows <b>full deductions</b> for debt that meets strict third-party debt conditions. TPDT should be applied as an "all-in" test (meaning that all associate entities in the same obligor group and entities that are parties to a cross staple arrangement should apply TPDT test) | Useful when an entity's debt is strictly third-party                     |

Taxpayers must notify the ATO annually if they elect to use the GRT or TPDT instead of the FRT. Where an entity has applied the FRT it would be permitted to carry forward the excess amount of deductions, referred to as "FRT disallowed deductions" for up to 15 years. However, the carry forward FRT disallowed deductions expire immediately if an entity elects to use the GRT or TPDT and are not reinstated in case the entity reverts back to FRT later.

Any disallowed deductions when applying the GRT or TPDT are not able to be carried forward.

Debt deduction creation rules

From 1 July 2024, additional rules apply to prevent interest deductions on related-party financing arrangements that do not reflect genuine commercial outcomes.

Deductions may be denied where:

- Debt is used to fund the acquisition of a capital gains tax (CGT) asset or a legal or equitable obligation from related parties, or
- Debt is used to fund distributions (e.g. dividends, royalties, returns of capital) to related parties.

There are also integrity measures to ensure that debt deductions are not recharacterised or routed through seemingly unrelated entities to bypass these restrictions. For example, transactions involving multiple steps or intermediaries may still fall within the rules if the economic substance reflects one of the targeted arrangements.

A key feature of the rules is that they apply regardless of when the arrangement was entered into, meaning even pre-existing arrangements are subject to scrutiny from the 2024–25 income year onward.

Accounting implications

FRT disallowed deductions may give risk to future tax deductions, depending on the timing and quantum of net debt deductions in future years. These amounts are recognised as a deferred tax asset to the extent it is probable that future taxable profit will be available against which the unused disallowed deductions can be utilised (AASB 112:34). Assessing the recognition criteria can be complicated.

Application of debt deduction creation rules may result in increased permanent differences and higher effective tax rate.

**More information**



**Tax@hand** *New interest limitation rules finally enacted*



**Tax@hand** *ATO finalises guidance on new thin capitalization and debt creation rules*

### A4.1.3 Petroleum Resource Rent Tax (PRRT) reforms



On 16 May 2024 the Parliament passed the [Treasury Laws Amendment \(Tax Accountability and Fairness\) Act 2024](#). The Bill subsequently received Royal Assent on 31 May 2024 and became law.

The Act introduced the Petroleum Resource Rent Tax (PRRT) reforms which limits deductible expenditure available to offset assessable receipts to the value of 90% of PRRT assessable receipts in respect of each liquefied natural gas (LNG) project. To minimise the impacts of upfront payments on project economics, projects are not subject to the cap until seven years after the year of first production or 1 July 2023, whichever is later. The cap does not apply to certain classes of deductible expenditure in the PRRT: starting base expenditure and resource tax expenditure.

This change brings forward PRRT revenue from LNG projects. Unused denied deductions can be carried forward indefinitely and uplifted at the Government long term bond rate (LTBR). This option would only apply to projects that produce LNG.

On 4 July 2024 the Parliament passed [Treasury Laws Amendment \(Delivering Better Financial Outcomes and Other Measures\) Act 2024](#). The Royal Assent was received on 9 July 2024. The Act aligned the PRRT anti-avoidance rules with the general income tax anti-avoidance provisions.

The above new measures apply for income years commencing on or after 1 July 2023. However, the PRRT instalment regime, as it relates to the deductions cap, will apply in relation to a year of tax beginning on or after 1 July 2024.

Additionally, on 6 August 2024 the [PRRT Assessment Regulations 2024](#) were registered. These regulations respond to recommendations from the Treasury Gas Transfer Pricing review. They include changes to better accommodate commercial tolling arrangements and enhance the integrity rules which will affect the calculation of the tax. The updated regulations apply to tax years beginning on or after 1 July 2024.

These reforms may impact deferred tax accounting for PRRT and give rise to impairment considerations in some cases.

### A4.1.4 Payment Times Reporting Scheme reform

Recent changes to the Payment Times Reporting Scheme aim to improve payment times for Australian small businesses and require large businesses and some governmental enterprises (reporting entities) in Australia to report on their payment terms and practices. The Australian Parliament passed the [Payment Times Reporting Amendment Act 2024](#) (the Amendment Act) on 3 July 2024. It received Royal Assent on 9 July 2024.

In September 2024 the amended [Payment Times Reporting Rules 2024](#) were released which contain technical matters such as reporting content and calculation methodologies required for payment times reporting. The main changes introduced by the reform are:

| Changes                                                         | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>New “reporting entity” definition</b>                        | Assessment is now based on the annual consolidated revenue of \$100 million or more determined in accordance with the Australian Accounting Standards, rather than taxable income                                                                                                                                                                                                                                                             |
| <b>Consolidation and flexibility</b>                            | <ul style="list-style-type: none"> <li>A single consolidated report is to be provided by the ultimate controlling entity of the group</li> <li>Controlled entities with distinct governance structures may choose to report separately as a subsidiary reporting entity</li> <li>Reporting entities will also be able to nominate a common parent or controlling entities of multiple reporting entities to report on their behalf</li> </ul> |
| <b>Relief applications and streamlined exit from the Scheme</b> | <ul style="list-style-type: none"> <li>Entities can apply to be exempt from reporting obligations for specified periods in certain circumstances; or for time extensions</li> <li>Amendment allows reporting entities to exit from the Scheme by giving a notice when they no longer meet the criteria to be a reporting entity, rather than by submitting an application to the regulator</li> </ul>                                         |
| <b>Self-publishing of reports</b>                               | Control over the timing of publication enables reporting entities to coordinate payment times reporting with other reporting obligations and publications such as annual reports and financial statements                                                                                                                                                                                                                                     |

| Changes                                               | Comments                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Incentives for improvement and increased transparency | <ul style="list-style-type: none"><li>Recognition for positive payment practices by publishing “fast small business payers”</li><li>Increased spotlight on entities with poor behaviour through identifying and potentially requiring enhanced disclosure by “slow small business payers”.</li></ul> |

The new scheme came into force on 1 January 2025. All reports submitted post this date must adhere to the new requirements.

In December 2024 the regulator [published PTR Guidance materials](#) which include important practical insights and examples of application of the revised requirements.

A4.1.5 Country-by-country reporting of tax information

On 29 November 2024 the Parliament passed the [Treasury Laws Amendment \(Responsible Buy Now Pay Later and Other Measures\) Act 2024](#). The Bill received Royal Assent on 10 December 2024. Schedule 4 of the Act contains measures in respect of public country-by-country reporting (CbC reporting) of certain tax information.

New requirements apply to parents of the multinational groups with annual global income of A\$1 billion or more, of which at least A\$10 million is Australian-sourced. Such parents should be either an Australian resident or a foreign resident with an Australian permanent establishment.

The Act requires the entities in scope to release publicly certain tax and other information on a jurisdiction-by-jurisdiction basis together with a statement on their approach to taxation for reporting periods starting on or after 1 July 2024.

Country-by-country disclosures are required for Australia and a [list of specified jurisdictions](#) released by the government on 18 December 2024, which currently includes 40 jurisdictions.

For all other countries disclosure of information is permitted on either on an individual or aggregated basis.

Information required to be disclosed include names of each entity of the CbC reporting group, a description of the group’s approach to tax and specific jurisdictional information, including number of full-time employees and book value of tangible assets at the end of the reporting period, revenue and profit or loss before income tax as well as income tax accrued and paid, which is based on information included in the ultimate parent’s audited consolidated financial statements.

The entity publishes the information by giving the information to the Commissioner of Taxation in the approved form within 12 months after the end of the reporting period. The Commissioner is then responsible for making the information available on an Australian government website.

It is important to note that these reporting rules are different and in addition to any other existing CbC reporting measures and separate to the requirements in respect of the consolidated entity disclosure statement under the Corporations Act (see section A4.3). The affected entities should ensure systems are in place to prepare the required information. It is also important to make sure the information reported within the financial report is consistent with CbC reporting, where possible.

**More information**



**Tax Insights** Australian Government passes public country-by-country reporting measures

### A4.1.6 Other developments

A number of proposals announced in previous Federal Budgets became law recently.

| Measure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Reporting implications                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>“Future Made in Australia” incentives</b></p> <p>On 11 February 2025 the Parliament passed <a href="#">Future Made in Australia (Production Tax Credits and Other Measures) Act 2025</a>. The Bill received a Royal Assent on 14 February 2025. As part of the Act two incentives were introduced:</p> <ul style="list-style-type: none"> <li>• Critical minerals production tax incentive (CMPTI) – the temporary incentive will provide eligible recipients with an uncapped refundable tax offset of 10% for the eligible costs of processing and refining of <a href="#">31 specified critical minerals</a>. The incentive will be available for a maximum period of 10 years between 1 July 2027 and 30 June 2040.</li> <li>• Hydrogen production tax incentive (HPTI) – a temporary refundable incentive of \$2 per kilogram of renewable hydrogen produced by eligible companies for a maximum of 10 years between 1 July 2027 and 20 June 2040 for projects that reach final investment decision by 2030.</li> </ul> | <p>The incentives meet the definition of a government grant, therefore the amounts will be recognised as a gain in profit or loss before income tax.</p> <p>The incentives may affect future cash flows forecasts for the purpose of impairment testing.</p> |
| <p><b>Immediate instant asset write-off</b></p> <p>Small businesses with aggregated annual turnover of less than \$10 million will continue to be able to immediately deduct the full cost of eligible assets costing less than \$20,000 where they are installed or ready for use by 30 June 2025.</p> <p>The measure was introduced as part of <a href="#">Treasury Laws Amendment (Tax Incentives and Integrity) Act 2025</a> which received Royal Assent on 27 March 2025 and is effective from 1 April 2025.</p> <p>On 4 September 2025, the Federal Government introduced <a href="#">Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025</a> into Parliament. This Bill contains a measure to extend the \$20,000 instant asset write-off to eligible assets installed or ready for use by 30 June 2026.</p>                                                                                                                                                                             | <p>Deductions will result in the recognition of a deferred tax liability in relation to any capitalised asset</p>                                                                                                                                            |
| <p><b>Build to rent incentive</b></p> <p>These measures increase the tax deduction (depreciation) rate for newly constructed build-to-rent residential projects which meet certain eligibility criteria from 2.5% p.a. to 4% p.a.</p> <p>The measure was introduced as part of <a href="#">Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Act 2024</a> which received Royal Assent on 10 December 2024 and is effective from 1 January 2025.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>May result in additional deferred tax liabilities as assets are depreciated</p>                                                                                                                                                                           |
| <p><b>Denying deductions for interest charges</b></p> <p>Deductions for Australian Taxation Office (ATO) interest charges, specifically the general interest charge (GIC) and shortfall interest charge (SIC), incurred in income years starting on or after 1 July 2025 will not be allowed. GIC and SIC are incurred where tax debts have not been paid on time, or a tax liability has been incorrectly self-assessed and resulted in a shortfall of tax paid, respectively.</p> <p>The measure was introduced as part of <a href="#">Treasury Laws Amendment (Tax Incentives and Integrity) Act 2025</a> which received Royal Assent on 27 March 2025 and is effective from 1 April 2025.</p>                                                                                                                                                                                                                                                                                                                                  | <p>May result in additional permanent tax difference and higher effective tax rate</p>                                                                                                                                                                       |

### A4.1.7 Unlegislated announcements

There are many announced but [unlegislated measures](#) that may impact accounting and forecasts.

One of the earlier proposals which is still unlegislated is the [Payday Super program](#) with a proposal to require mandatory superannuation contributions to be paid at the same time as related salary and wages (rather than quarterly) from 1 July 2026. If legislated this measure may impact the timing of future cash flows forecasts in recoverable amount models, as well as liquidity risk management disclosures.

#### Other considerations

Recent government policy initiatives can impact various entities or have an impact on overall economic outcomes. The effects of these initiatives may need to be considered in such areas as:

- **Substantive enactment** – Any current and deferred tax implications of the legislative changes must be recognised at the date of substantive enactment of the respective enabling legislation. Where the legislation is substantively enacted after the reporting date but prior to signing of the financial statements, subsequent events disclosure may be required if the anticipated effect is material
- **Cash flow forecasts** – Government information and announcements may impact future cash flows used in recoverable amount models when testing impairment under AASB 136 *Impairment of Assets* even before substantive enactment of a change if such a change is expected and represents management's best estimate
- **Expected credit losses (ECLs)** – The known macro-economic impacts of the latest budgetary information (and any subsequent Mid Year Economic and Fiscal Outlook) should be considered in ECLs models in respect of loans and other receivables
- **Employee implications** – The changes to superannuation arrangements should be reflected in the measurement of employee liabilities and cash flow forecasts where relevant.



## A4.2 ASIC focus areas and findings

### A4.2.1 ASIC focus areas for financial reporting

In May 2025, ASIC [announced](#) its focus areas for the 2025-2026 financial year. These focus areas are the first to be issued on an annual basis and cover both the June 2025 and December 2025 reporting periods.

ASIC previously announced a modified approach to its focus areas for financial reporting. In relation to focus areas, ASIC moved away from publishing new financial reporting focus areas each six months, instead publishing enduring focus areas for financial report reviews and supplementing those with focus areas for the relevant period where new regulatory requirements or emerging issues arise. For 2025-2026 financial year ASIC added revenue recognition to its enduring focus areas. This is consistent with findings from 2023-2024 financial reporting and audit surveillance reported by ASIC's in [Report REP 799](#).

The enduring focus areas [identified by ASIC](#) comprise:



#### Impairment and asset values

Impairment of non-financial assets, values of property assets, expected credit losses on loans and receivables, financial asset classification and values of other assets (including the probability assessment for recoverability of deferred tax assets, valuation of investments in unlisted entities and the net realisable value of inventories)



#### Revenue recognition

Recognition of revenue and deferred income in accordance with the substance of the underlying transactions and the satisfaction of performance obligations; using appropriate and reasonable judgements and assumptions; specific and appropriate disclosure of revenue policies for each material revenue stream



#### Provisions

Adequacy of provisions for matters such as onerous contracts, make good provisions under leases, mine site restoration, financial guarantees given and restructuring



#### Events occurring after year end and before completing the financial report

Events after year end should be reviewed to determine whether they relate to the current reporting period or new conditions requiring disclosure



#### Disclosures in the financial report and operating and financial review (OFR)

Directors and preparers "should put themselves in the shoes of investors" and ensure information responds to their needs. Disclosures should be specific to the entity's business, assets, financial position and performance and reflect changes from the previous period.

Particular attention is drawn to matters such as the disclosure of uncertainties, current and non-current classification (including debt covenant compliance) and disclosure in the OFR of significant business risks and management strategies, including climate change risk and cyber security risks. ASIC further highlights that non-IFRS profit measures (in the OFR and market announcements) should not be misleading (see [Regulatory Guide 230 Disclosing non-IFRS financial information](#))

The need for judgement and disclosure is a central theme in ASIC's enduring focus areas and surveillance.



### Specific focus areas

In addition to the enduring focus areas, ASIC calls out the following specific focus areas for 2025-26 financial year:

- **Registrable superannuation entities (RSEs)** – ASIC notes two areas arising from its surveillance activities over June 2024 reports of RSEs: (1) measurement and disclosure of investment portfolios and (2) disclosure of marketing and advertising expenses. RSEs and their auditors should respond to these areas in the current reporting period. ASIC also noted it has reviewed approximately half of all lodged RSE financial reports in the first year of reporting under the Corporations Act and expects to review the other half as part of its 2025-26 surveillance program
- **Previously grandfathered large proprietary companies** – ASIC will continue to work with these entities to ensure financial reports are lodged, and notes auditors should inform ASIC where they are aware of non-compliance with lodgement of financial reports. In August 2025, subsequent to announcement of the focus areas, an ASIC [media release](#) noted a high-level of non-lodgement of financial reports by previously grandfathered companies and announcing a broader surveillance focused on non-lodgement of financial reports by large proprietary companies, which it expects to complete in the first quarter of 2026
- **Sustainability reporting** – ASIC confirms that it will review December 2025 sustainability reports as part of its 2025-26 program within its “proportionate and pragmatic approach” to supervision and enforcement. The findings from earlier review of voluntary sustainability and climate change reporting of listed companies will inform ASIC’s ongoing work on mandatory sustainability reporting in Australia.

### A4.2.2 ASIC’s modified regulatory approach and financial report reviews

In late August 2025 ASIC [released](#) its *Corporate Plan 2025-26*, which outlines ASIC’s strategic priorities for the four-year period 2025-2029 and its plan of action for the 2025-2026 financial year.

From a corporate reporting perspective, the following priorities are important for boards, preparers and auditors to consider:

- **Climate change risk** – ASIC will proactively review sustainability reports taking “a pragmatic and proportionate approach” to supervision and enforcement of the sustainability reporting obligations. It will also provide support through guidance, capacity building, relief and engagement. In addition, ASIC will undertake ongoing surveillance activity and take enforcement action, where necessary, to prevent harm from greenwashing, and review complaints handling by insurers following severe weather events. See our [Clarity publication](#) *A new era of sustainability reporting* and section B.
- **Financial reporting and audit monitoring** – ASIC will carry out surveillance of financial reports and audits of listed entities, unlisted entities that are of public interest, previously grandfathered large proprietary companies and registrable superannuation entities. ASIC will also review auditors’ compliance with ethical and independence standards.
- **Non-lodgement of financial reports** – ASIC intends to take action, including enforcement action, against entities, including large proprietary companies, who do not comply with obligations to lodge financial reports. For assistance with understanding reporting obligations, see our [Australian financial reporting guide](#).

# ASIC media releases on financial reporting issues

Below is a summary of media releases issued by ASIC in recent years that are relevant for reporting at 31 December 2025.

## Past events must have occurred to support the recognition of assets and/or liabilities

ASIC reminded entities that a past event must have occurred prior to the end of the reporting period to support the recognition of assets and/or liabilities, specifically, if revenue had not been earned, a receivable should not be recognised.

## Non-recognition of provisions on basis of not being able to reliably measure the provision

ASIC noted that the use of estimates is an essential part of the preparation of financial statements and does not undermine their reliability and accordingly, *"[e]xcept in extremely rare cases, entities will be able to determine a range of possible outcomes and can therefore make an estimate of the obligation that is sufficiently reliable to use in recognising a provision"*.

ASIC's focus areas for financial reports have included the recognition and measurement of provisions for some time, and this [media release](#) is consistent with this focus area.

## Wider disclosure of the potential impacts of contingent liabilities

ASIC noted that entities involved in more complex and prolonged matters (such as legal disputes) should continually assess their total possible exposures for accuracy and completeness.

## Queries on expected credit losses go beyond financial institutions

ASIC raised concerns that there may not have been an appropriate assessment of whether there was any significant increase in credit risk. This area remains an ASIC focus area and entities should consider all facts and circumstances when calculating expected credit losses.

## Including loan establishment fees in the effective interest rate

ASIC was concerned that total loan establishment fees were being recognised upfront rather than being treated as part of the loan's effective interest rate under AASB 9 *Financial Instruments*. Entities should ensure that amounts associated with the granting of loans are appropriately treated and classified.

## Own market capitalisation not a measure of recoverable amount

ASIC reminded preparers of financial statements and their auditors that:

- An entity's market capitalisation will generally not represent an appropriate fair value estimate for its underlying business
- The valuation method used for impairment testing should be appropriate, use reasonable and supportable assumptions, and be cross checked for reliability using other relevant methods.

AASB 136 *Impairment of Assets* notes an indicator of impairment exists where the carrying amount of an entity's net assets is more than its market capitalisation.

## Non-IFRS measures such as profit before impairment and fair value movements are not appropriate on the face of the income statement

ASIC Commissioner Danielle Press noted that *"ASIC's regulatory guidance in this area is long-standing and companies have been on notice about the use of non-IFRS profit information for many years. Preparers of financial information are reminded that non-IFRS profit measures may not be included in financial statements."*

### Asset valuation and provisions related to assets held for sale

ASIC raised concerns that an entity did not consider all the information that was available at the reporting date for the purpose of the valuation of assets held for sale and assessment of the timing of recognition of a provision in relation to settlement of the regulatory investigation. As a result, the entity restated its June 2023 annual report and December 2022 half year report to base the fair value less cost of disposal of the assets held for sale on the sale proceeds less estimated costs to sell. In addition, the restatement resulted in earlier recognition of a redress provision.

ASIC reminds preparers of financial reports that consideration should be given to the adequacy of provisions for liabilities and the valuation of assets. Entities should ensure they make accounting estimates using all information that is available at the end of the reporting period. This is consistent with the ASIC's enduring focus areas.

### Business risk including sustainability-related risks disclosures

ASIC raised queries in relation to the adequacy of business risk disclosure in the operating and financial review (OFR). Furthermore, ASIC [separately announced](#) that a further six entities disclosed material business risks in their December 2022 half-year reports in response to ASIC enquiries.

In the separate announcement, ASIC noted:

*"ASIC reminds directors of the importance of a high-quality operating and financial review, including disclosure of material risks that may affect the achievement of a listed entity's strategies and prospects. Directors must ensure that they provide investors with useful and meaningful information about the impact on current and future performance of changing and uncertain market conditions."*

ASIC encourages investors and other interested parties to review the additional materials disclosed by the entities in their OFRs and notes that [Regulatory Guide 247 Effective disclosure in an operating and financial review](#) provides guidance for directors of listed entities on providing useful and meaningful information to investors in the OFR.

### Change in revenue recognition policy from principal to agent

An entity changed its revenue recognition policy for the sale of certain software products from principal to agent after ASIC raised concerns. This resulted in the entity restating its financial statements to recognise net earnings on those sales as opposed to recognising gross revenue and the related expense.

As noted by ASIC:

*"When an entity acts as an agent and recognises all the revenue in relation to a product or service it on-sells, it can create a misleading impression about the size of a business and the potential influence it has on its own profitability."*

Entities should ensure they understand the terms of revenue contracts and carefully apply the requirements in AASB 15 *Revenue from Contracts with Customers*, disclosing any significant judgements made in determining whether the entity is a principal or as an agent for each good or service (performance obligation) promised to a customer.

### Consolidation of subsidiary

An entity restated 2022 comparatives in its financial report for the year ended 31 December 2023 as a concern was raised by ASIC that the entity failed to consolidate its 100%-owned subsidiary in its 2022 financial report.

Entities should apply AASB 10 *Consolidated Financial Statements* to assess control of related entities and consider the consolidation requirements.

A4.2.3 ASIC findings from 2023-2024 financial reporting and audit surveillance

On 30 October 2024, ASIC [released a report](#) outlining the outcomes of its financial reporting and audit surveillance for the year ending 30 June 2024.

At the date of finalisation of this publication (24 September 2025), ASIC had not released a surveillance report from its financial reporting and audit surveillance or the 2024-2025 period. ASIC's [regulatory developments timetable](#) indicates a report will be released in the fourth quarter of 2025.

What is the background to the report?

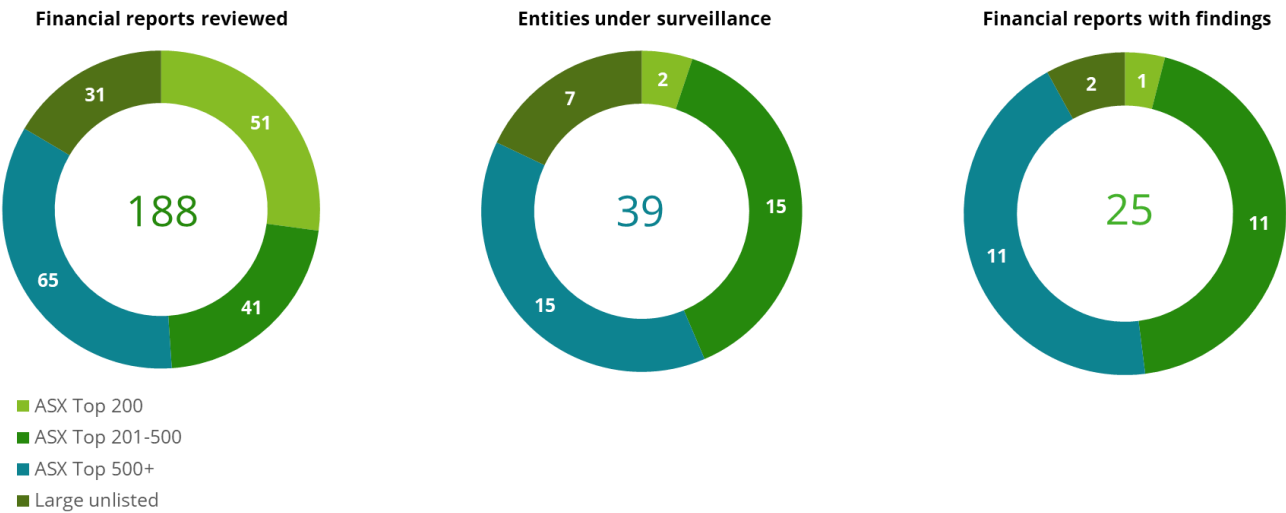
The report, *ASIC's oversight of financial reporting and audit 2023-2024*, summarises findings from financial reporting and audit surveillances and other complementary work for the period 1 July 2023 to 30 June 2024. It highlights areas where the quality of financial reporting and audits can be improved.

ASIC follows a data-led risk-based approach that integrates financial reporting and audit surveillance.

ASIC uses a range of data sources to make a selection of financial reports, including reported financial information, market data, ASX announcements, ASIC intelligence, section 311 notices lodged by auditors, external party misconduct reports and specific industry considerations. The selected financial report is first subject to a desk review, and if any concerns are identified, the reporting entity is contacted, and a financial reporting surveillance commences. In addition, ASIC selects audit files for surveillance where a financial report has been subject to a review, and there are concerns that a financial report may have a risk of material misstatement.

What were the outcomes?

The report notes that ASIC reviewed 188 financial reports – 157 listed entities and 31 large unlisted entities considered to be of public interest – covering years ended from 31 March 2023 to 31 December 2023. Of the 188 financial reports reviewed ASIC commenced surveillances on 39 entities covering 61 issues. 25 entities made adjustments to previously released financial information.



The table below summarises the issues raised and the outcomes, with commentary where relevant:

| Topic area                            | Issues raised | Findings  | Open surveillances | Comments                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------|---------------|-----------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Operating and financial review</b> | 20            | 16        | 2                  | Many entities need to significantly improve the information reported in the OFR for the benefit of investors and other users, particularly in respect of material business risks that may affect the achievement of outcomes described. Additional deficiency identified is information that is dispersed throughout companies reports and different announcements. |
| <b>Impairment and asset values</b>    | 14            | 3         | 4                  | Preparers of financial reports should appropriately classify assets between current and non-current, have appropriate asset valuations, and make impairment adjustments on a timely and appropriate basis.                                                                                                                                                          |
| <b>Non-IFRS profit information</b>    | 5             | 5         | -                  | Issues raised included improving non-IFRS profit disclosures, including providing proper reconciliation of non-IFRS measures and the appropriateness of non-IFRS profit measures.                                                                                                                                                                                   |
| <b>Financial report disclosures</b>   | 5             | 1         | 2                  | Issues raised included disclosures on comparative information, going concern, operating segments and laws and regulations disclosures.                                                                                                                                                                                                                              |
| <b>Revenue recognition</b>            | 4             | 1         | -                  | ASIC's focus included the recognition of revenue, including the disclosure of accounting policies. The finding relates to agent versus principal considerations.                                                                                                                                                                                                    |
| <b>Share-based payments</b>           | 3             | 1         | -                  | Issues raised on accounting and disclosures, the finding relates to classification of vesting expenses as options versus restricted shares.                                                                                                                                                                                                                         |
| <b>Group accounting</b>               | 3             | -         | 1                  | Issues raised on consolidation accounting, accounting for movements in subsidiary values and not lodging consolidated accounts.                                                                                                                                                                                                                                     |
| <b>Tax accounting</b>                 | 2             | -         | 1                  | Issues raised included items on the tax reconciliation and variations between the tax expense and tax payments.                                                                                                                                                                                                                                                     |
| <b>Lease accounting</b>               | 2             | -         | 2                  | Issues raised included lease accounting in a franchise operation and the application of AASB Interpretation 12 <i>Service concession arrangements</i> .                                                                                                                                                                                                             |
| <b>Other</b>                          | 3             | -         | 1                  |                                                                                                                                                                                                                                                                                                                                                                     |
|                                       | <b>61</b>     | <b>27</b> | <b>13</b>          |                                                                                                                                                                                                                                                                                                                                                                     |

Source: ASIC report, Deloitte analysis.

The report also included a breakdown of the top ten industries where reviews were undertaken. The table below outlines those industries, the outcomes and the specific focus areas in ASIC's reviews:

| Industry                                                | Reviews    | Surveillances | Findings   | Focus areas in the reviews                                                                                                                                                              |
|---------------------------------------------------------|------------|---------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Materials</b>                                        | 30         | 6             | 2          | Impairment (due to commodity price volatility) and sustainability and climate risk disclosures                                                                                          |
| <b>Software and services</b>                            | 21         | 6             | 3          | Impairment, revenue recognition, capitalisation of development costs, accounting policy disclosure                                                                                      |
| <b>Capital goods</b>                                    | 19         | 4             | 1          | Revenue recognition (due to complex contractual arrangements) and accounting policy disclosure                                                                                          |
| <b>Consumer services</b>                                | 18         | 4             | 2          | Asset valuations (both real and financial, incl. receivables), macroeconomic impacts (post-COVID cost pressures, rising interest rates and changes in spending habits due to inflation) |
| <b>Commercial and professional services</b>             | 18         | 4             | 2          |                                                                                                                                                                                         |
| <b>Food, beverage and tobacco</b>                       | 17         | 5             | 1          |                                                                                                                                                                                         |
| <b>Financial services</b>                               | 14         | 3             | 1          | Revenue, expected credit losses, financial asset values                                                                                                                                 |
| <b>Health care equipment and services</b>               | 13         | 4             | 1          | Capitalisation of development costs, impairment, going concern (where entities have not yet reached commercial viability)                                                               |
| <b>Pharmaceuticals, biotechnology and life sciences</b> | 13         | 4             | 2          |                                                                                                                                                                                         |
| <b>Transportation</b>                                   | 13         | 4             | 1          | Impairment of non-current assets and lease accounting                                                                                                                                   |
|                                                         | <b>176</b> | <b>44</b>     | <b>16</b>  |                                                                                                                                                                                         |
| <i>Proportion of total</i>                              | <i>94%</i> | <i>72%</i>    | <i>59%</i> |                                                                                                                                                                                         |

Source: ASIC report, Deloitte analysis.

### ASIC's key messages to directors and preparers

The report notes that directors (including audit committees) and preparers need to support the audit process by ensuring:

- Disclosures in the operating and financial review (OFR) reflect the entity's individual circumstances
- Management produces robust position papers to support quality and timely financial information – and these should be prepared for directors and audit committees, particularly for areas with significant estimation uncertainty and judgement
- Adequate resources, skills and expertise are in place
- Effective and clear communication with the auditor
- A robust auditor selection process is in place.

In terms of audit surveillance, ASIC's 15 surveillances led to findings being reported to 12 entities and nine audit firms. Three audit surveillances were closed with no findings.

The findings covered revenue and receivables (including ECL), impairment of non-financial assets and asset values, investments and financial instruments, loans and borrowings, inventory and cost of sales, acquisition accounting and provisions.

Other audit findings included independence issues due to long association with an unlisted client, late finalisation and archiving of the audit file, and insufficient documentation of journal entry testing.

## ASIC's expectations for OFRs

The report also notes ASIC's continued focus on disclosures in the OFR. Consistently with the results of the previous report on surveillance, the most number of findings were raised in respect of the OFRs.

ASIC reminds that the purpose of the OFR is to provide information that shareholders would reasonably require to make an informed assessment of the entity's business strategies, prospects and performance.

The report includes a number of factors that should be considered to improve OFR disclosures and comply with legal requirements. We combined these factors with the notes in respect of OFR disclosures from the previous ASIC's reports:

- **Self-contained disclosures** - entities should ensure sufficient commentary is included as part of the directors' report (even if commentary about financial performance, strategies and risks is contained in other reports such as the CEO or Chair reports) so that the OFR is a self-contained section in the annual report. Information cannot be included solely by cross-referencing to other reports
- **Newly listed companies** - newly listed entities may not realise the effort required in writing an OFR. Such entities should consider relevant content in their initial public offering document and other investor presentations and ensure the OFR does not omit information and is consistent with these documents
- **Key transactions with no comments** - the OFR should "tell the story" about the current and future impacts on financial position and performance of key transactions and recognise that carrying out the entity's strategy has associated risks
- **Unique/complex business model/industry** - the OFR should provide an adequate explanation of the key features of the entity's business model and industry and disclosures should be benchmarked against industry peers
- **Fundraising activity** - the OFR should be consistent with, and update, the minimum statutorily required disclosures and risks included in fundraising documents, particularly in relation to business models and risks.
- **Balanced and structured disclosures** – entities should provide well-developed and structured report on material business risks and explain how these risks affect achieving business plans
- **Avoiding dispersed disclosures** – when pieces of information are dispersed throughout the financial report and/or other public announcements this may significantly decrease the transparency of the reported information.

The financial report, OFR and broader financial report must be consistent with other information released by the entity and be consistent with peer companies.

## Future surveillance

ASIC confirmed its intention to expand the surveillance program going forward to include:

- More large proprietary companies that were previously grandfathered (including audit)
- Registrable superannuation entities (including audit)
- Climate-related risks
- Consolidated entity disclosure statements
- Auditor compliance with independence and conflicts of interest requirements.

These areas are consistent with the ASIC's specific focus areas announced for 2025-2026 financial year.

## More information



**ASIC media release** *ASIC announces financial reporting and audit focus areas for FY 2025-26*



**ASIC web page** *ASIC financial reporting and audit focus areas*



**Clarity publication** *ASIC releases results of its first integrated surveillance program and December 2023 focus areas*



**ASIC Media Release 24-240MR** *ASIC releases FY 2023-24 financial reporting and audit report and launches auditor independence surveillance*



**ASIC Report REP 799** *ASIC's oversight of financial reporting and audit 2023-24*



### A4.3 Consolidated entity disclosure statement

Under [amendments](#) made to the Corporations Act in March 2024 public companies are required to include a "consolidated entity disclosure statement" (CEDS) in their financial reports from 30 June 2024. On 10 December 2024 the requirements in respect of CEDS were [amended](#) to clarify the tax residency disclosures to be included in the CEDS. The changes to the legislation are effective for annual periods beginning on or after 1 July 2024 (and so first applied to 30 June 2025 financial reports).

As a result of the recent amendments, a CEDS should contain the following information about each entity that is part of the consolidated entity at the end of the financial year:

- The entity's name
- Whether the entity is a body corporate, partnership or trust
- Whether the entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity
- Where the entity was incorporated or formed (if the entity is a body corporate)
- Where the entity is a body corporate with share capital, the percentage of the entity's issued share capital (excluding any part that carries no right to participate beyond a specified amount in a distribution of either profits or capital) held directly or indirectly, by the public company
- Whether the entity was an Australian resident (within the meaning of the *Income Tax Assessment Act 1997* or as prescribed for partnerships and trusts)
- A list of each foreign jurisdiction in which the entity was a resident for the purposes of the law of the foreign jurisdiction.

In addition, the legislation and accompanying explanatory memorandum to the December 2024 amendments provide the following guidance:

- An entity included in the CEDS that is not an Australian tax resident and which is established and operates in a foreign jurisdiction lacking a corporate tax system (e.g. the Cayman Islands) should not list the foreign jurisdiction in the CEDS
- An entity that is an Australian tax resident under Australian tax law and foreign resident under the law of one or more foreign jurisdictions would include details of both the Australian and all foreign jurisdictions in the CEDS
- A partnership included in the CEDS would be listed as having Australian tax residency if at least one member of the partnership is an Australian resident
- A trust included in the CEDS would be considered an Australian resident where the trust is a "resident trust estate" for the purposes of Australian tax law.

More information about the recent amendments can be found in *Changes to the consolidated entity disclosure statement* on page 277. However, the latest changes are largely consistent with best practice under previous law.

Where a public company is not required to prepare consolidated financial statements under Australian Accounting Standards, a consolidated entity disclosure statement is not required, but a statement that the entity is not required to prepare consolidated financial statements is required (rather than including information about each subsidiary). This statement is the consolidated entity disclosure statement for such a company.

Only public companies reporting under Chapter 2M of the Corporations Act are required to prepare a consolidated entity disclosure statement. Therefore, public companies reporting under other frameworks (e.g. ACNC-registered charities) are not required to prepare a consolidated entity disclosure statement.

The directors' declaration is required to include a statement about whether, in the directors' opinion, the consolidated entity disclosure statement is true and correct. In addition, for listed public companies, the chief executive officer and chief financial officer must include a statement in their declaration to the directors that the consolidated entity disclosure statement is true and correct.

As the consolidated entity disclosure statement is part of the financial report, it is subject to audit.

ASIC and the AUASB have released guidance on the consolidated entity disclosure statement. More information about this guidance can be found in *ASIC guidance on the consolidated entity disclosure statement* and *AUASB guidance on the consolidated entity disclosure statement* on page 278. An illustrative disclosure of the statement can be found on page 276.

#### More information



**Clarity publication** *New consolidated entity disclosure statement*

# B. Sustainability and climate reporting

This section discusses requirements and developments in respect of sustainability and climate reporting.

## Roadmap to this section

| Section                                                    | What is included                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>B1 Global developments</b>                              | A summary of IFRS Sustainability Disclosure Standards                                                                                                                                                                                                                                                              |
| <b>B2 Australian sustainability reporting requirements</b> | An overview of the legislative framework and standard-setting for mandatory sustainability reporting in Australia                                                                                                                                                                                                  |
| <b>B3 Greenwashing</b>                                     | Australian regulatory perspective and initiatives to avoid greenwashing practices                                                                                                                                                                                                                                  |
| <b>B4 Other developments</b>                               | Developments and initiatives in respect of sustainability reporting, including: <ul style="list-style-type: none"><li>• International standard setters</li><li>• Other sustainability reporting frameworks</li><li>• Global sustainability reporting requirements that may apply to Australian entities.</li></ul> |

## More information



The information in this section is a summary of the key requirements regarding sustainability reporting internationally and in Australia.

For more in-depth analysis of sustainability reporting in Australia, see our [Clarity publication](#) *A new era of sustainability reporting*.

Also available is [A director's guide to mandatory climate reporting \(Version 2\)](#), which is an updated co-authored publication of the Australian Institute of Company Directors, Deloitte and MinterEllison.

# B1 Global developments

## B1.1 Overview of IFRS Sustainability Disclosure Standards

Following the formation of the International Sustainability Standards Board (ISSB) in 2021, a rapid exposure and redeliberation process led to the issue of the new board's inaugural IFRS Sustainability Disclosure Standards in late June 2023:

### B1.1.1 IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

This [Standard](#) requires the disclosure of information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as the entity's "prospects").

The Standard includes conceptual foundations, core content, general requirements and requirements around judgements, uncertainties and errors. Many of these conceptual foundations and general requirements are broadly consistent with the IASB *Conceptual Framework for Financial Reporting*, IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* pronouncements for financial reporting.

Sustainability-related financial disclosures are required to be published at the same time as, and covering the same reporting period as, the financial statements (with some transitional relief).

### B1.1.2 IFRS S2 Climate-related Disclosures

This [Standard](#) is the first thematic IFRS Sustainability Disclosure Standard covering the disclosure of climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as the entity's "prospects"). Disclosure requirements cover governance, strategy, risk management and metrics and targets.

The Standard is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and includes industry-based metrics tailored to industry classifications derived from the industry-based Sustainability Accounting Standards Board (SASB) Standards (see further discussion below).

### B1.1.3 Effective date

IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted (so long as both Standards are applied at the same time)<sup>6</sup>.



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<sup>6</sup> Mandatory sustainability reporting commenced in Australia for annual reporting periods beginning on or after 1 January 2025. See section B2 for more information of when Australian entities are required to include sustainability reports in their annual reports.

## B1.2 General requirements for sustainability-related financial information (IFRS S1)

### B1.2.1 Background and scope

IFRS S1 is inspired by the IASB *Conceptual Framework for Financial Reporting*, IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* pronouncements for financial reporting. It sets out the overall objective for an entity to disclose financial information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Standard requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.

An entity applies IFRS S1 in preparing and reporting sustainability-related financial disclosures in accordance with IFRS Sustainability Disclosure Standards. An entity may apply IFRS Sustainability Disclosure Standards irrespective of whether the entity's related financial statements are prepared in accordance with IFRS Accounting Standards or another accounting framework.

### B1.2.2 Conceptual foundations

For sustainability-related financial information to be useful, it must be relevant and faithfully represent what it purports to represent. The usefulness of sustainability-related financial information is enhanced if the information is comparable, verifiable, timely and understandable. The following conceptual foundations are outlined in IFRS S1:

- **Fair presentation** – requires the faithful representation of sustainability-related risks and opportunities in accordance with the principles set out in IFRS S1
- **Materiality** – material information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects must be disclosed. In the context of sustainability-related financial disclosures, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity
- **Reporting entity** – sustainability-related financial disclosures are for the same reporting entity as the related financial statements to allow users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on the cash flows, access to finance and cost of capital over the short, medium and long term
- **Connected information** – information is provided in a manner that enables users to understand the connections between:
  - The items to which the information relates (such as connections between various sustainability related risks and opportunities that could reasonably affect the entity's prospects)
  - Disclosures provided by the entity:
    - Within its sustainability disclosures (e.g. connections between governance, strategy, risk management and metrics and targets)
    - Across its sustainability related financial disclosure and other general purpose reports (e.g. such as related financial statements).

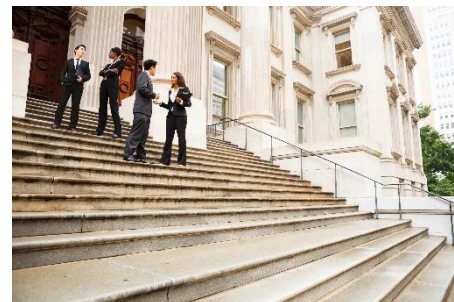


Regulators are increasingly seeking connectivity between the financial statements and other information such as sustainability reports

### B1.2.3 Core content

Unless another IFRS Sustainability Disclosure Standard permits or requires otherwise, an entity would provide disclosures about the following core topic areas:

- **Governance** – the governance processes, controls and procedures the entity uses to monitor and manage sustainability-related risks and opportunities
- **Strategy** – the approach the entity uses to manage sustainability-related risks and opportunities. Aspects to strategy include:
  - Sustainability related risks and opportunities
  - Current and anticipated effects on business model and value chain
  - Effects of sustainability-related risks and opportunities on strategy and decision making
  - Current and anticipated financial effects of sustainability-related risks and opportunities
  - Resilience (including scenario analysis)
- **Risk management** – the process the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities
- **Metrics and targets** – the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.



### B1.2.4 General requirements

In addition to the core content discussed above, IFRS S1 contains a number of general requirements for sustainability-related financial information:

- **Source of guidance** – in identifying sustainability-related risks and opportunities and in identifying applicable disclosure requirements, in addition to IFRS Sustainability Disclosure Standards, an entity must consider amongst other sources of guidance as outlined in IFRS S1, the disclosure topics in SASB Standards and may refer to the CDSB Framework Application Guidance, the most recent pronouncements of other standard-setting bodies and other entities in the same industry and geographical region(s)
- **Location of disclosures** – disclosures required by IFRS Sustainability Disclosure Standards must be included in an entity's general purpose financial report
- **Timing of reporting** – sustainability-related financial disclosures are made at the same time as the related financial statements and cover the same period as the related financial statements
- **Comparative information** – an entity discloses comparative information in respect of the preceding period for all amounts disclosed in the reporting period and for narrative and descriptive sustainability-related financial information where it is useful for an understanding of sustainability-related financial disclosures for the reporting period
- **Statement of compliance** – requires an entity whose sustainability-related financial disclosures comply with all of the relevant requirements of IFRS Sustainability Disclosure Standards to include an explicit and unreserved statement of compliance<sup>7</sup>.

<sup>7</sup> The statement of compliance required under Australian Sustainability Reporting Standards does not refer to IFRS Sustainability Disclosure Standards, but instead refers to the Australian Sustainability Reporting Standard being applied (AASB S1 or AASB S2). For more information, see section B2.2.1.

### B1.2.5 Judgements, uncertainties and errors

An entity is required to disclose information to enable users of general purpose financial reports to understand:

- The judgements that the entity has made in the process of preparing its sustainability-related financial disclosures that have the most significant effect on the information included in those disclosures
- The most significant uncertainties affecting amounts reported in its sustainability-related financial disclosures, including identifying amounts, the sources of measurement uncertainty and the assumptions, approximations and judgements made in measuring the amounts.

An entity must also correct material prior period errors by restating comparative amounts for the prior periods, unless it is impracticable to do so. Where this occurs, the entity discloses the nature of the error and the correction (to the extent practicable) for each period disclosed. If correction of the error is impracticable, the entity discloses the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

## B1.3 Climate-related disclosures under IFRS S2



### Proposed ISSB fast-tracked changes to IFRS S2

The ISSB decided at its [January 2025 meeting](#) to fast-track an exposure draft of proposed amendments to IFRS S2 *Climate-related Disclosures* to address a number of application challenges in relation to greenhouse gas emission disclosures, as previously discussed by the Transition Implementation Group on IFRS S1 and IFRS S2. The ISSB subsequently [released](#) an exposure draft on 28 April 2025 and comments closed on 27 June 2025.

The ISSB intends to make any finalised amendments effective as soon as possible (targeting issue of final amendments by the end of calendar 2025) and will permit early application.

More information about the ISSB exposure draft can be found in section B1.3.5.

The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 applies to climate-related opportunities available to the entity and the following climate-related risks to which the entity is exposed:

- **Climate-related physical risks** – these risks result from climate change that can be event driven (acute physical risks such as storms, floods, drought or heatwaves) or from longer-term shifts in climatic patterns (chronic physical risks such as changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity)
- **Climate-related transition risks** – these risks arise from efforts to transition to a lower-carbon economy, and may include policy, legal, technological, market and reputational risks.





### B1.3.1 Core content

IFRS S2 is based upon the four core elements of the TCFD recommendations: governance, strategy, risk management, and metrics and targets. The table below summarises the key requirements of the Standard, with each item having additional requirements and guidance:

| <br><b>Governance</b>                                                                                                                                                                                                                                               | <br><b>Strategy</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <br><b>Risk management</b>                                                                                                                                                                                                                                        | <br><b>Metrics and targets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b><br>Disclose information about the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.                                                                                                                                                                        | <b>Objective</b><br>Disclose information about the entity's strategy for managing climate-related risks and opportunities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Objective</b><br>Disclose information about the processes the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities.                                                                                                                                                                                   | <b>Objective</b><br>Disclose metrics and targets to understand performance in relation to climate-related risks and opportunities, including progress toward climate-related targets (set internally or required to be met by law or regulation).                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Disclosures</b> <ul style="list-style-type: none"> <li>Information about the governance body(s) or individuals(s) with oversight of climate-related risks and opportunities</li> <li>Information about management's role in processes, controls and procedures to monitor, manage and oversee climate-related risks and opportunities.</li> </ul> | <b>Disclosures</b> <ul style="list-style-type: none"> <li>The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects</li> <li>The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain</li> <li>The effects of climate-related risks and opportunities on the entity's strategy and decision-making, including its transition plans</li> <li>The effects of significant climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period, and the anticipated effects over the short, medium and long term<sup>8</sup></li> <li>The climate resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties.</li> </ul> | <b>Disclosures</b> <ul style="list-style-type: none"> <li>The entity's process or processes used to identify, assess, prioritise and monitor climate-related risks and climate-related opportunities</li> <li>The extent to which, and how, those processes are integrated into and inform the entity's overall risk management process.</li> </ul> | <b>Disclosures</b> <ul style="list-style-type: none"> <li>Information relevant to the cross-industry metric categories (discussed below)</li> <li>Industry-based metrics which are associated with particular business models, activities or common features that characterise participation in an industry<sup>9</sup></li> <li>Targets set by the entity, and targets required by law or regulation, including any GHG emissions targets, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress.</li> </ul> |

<sup>8</sup> The entity is required to specify the time horizons – short, medium or long term – over which the effects of climate-related risks and opportunities could reasonably expect to occur (IFRS S2:10(c)). These time horizons can vary between entities and depend on many factors, including industry-specific characteristics (IFRS S1:31). Accordingly, the entity is required to explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making (IFRS S2:10(d)).

<sup>9</sup> See section B2.2 for information about how this requirement is modified in Australian Sustainability Reporting Standards.



### B1.3.2 Cross-industry metrics

IFRS S2 requires disclosure of information relevant to the following cross-industry metric categories:

| Category                                                                                                                                                                                                                                                                                                                                                  | Metric                  | Unit of measure                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------|
| <b>GHG emissions</b>                                                                                                                                                                                                                                                                                                                                      |                         |                                                       |
| Absolute gross GHG emissions generated during the reporting period, classified as scope 1, scope 2 and scope 3 emissions <sup>10</sup>                                                                                                                                                                                                                    | Quantitative            | Metric tonnes of CO <sub>2</sub> equivalent           |
| The approach used to measure GHG emissions, including: <ul style="list-style-type: none"> <li>The measurement approach, inputs and assumptions used</li> <li>The reason the measurement approach, inputs and assumptions were chosen</li> <li>Any changes made to the measurement approach, inputs and assumptions during the reporting period</li> </ul> | Discussion and analysis | n/a                                                   |
| Scope 1 and scope 2 emissions are required to be disaggregated between: <ul style="list-style-type: none"> <li>The consolidated accounting group (the parent and its consolidated subsidiaries)</li> <li>Other investees (associates, joint ventures, unconsolidated subsidiaries) not included in the consolidated accounting group</li> </ul>           | Quantitative            | Metric tonnes of CO <sub>2</sub> equivalent           |
| For scope 2 emissions: <ul style="list-style-type: none"> <li>Location-based scope 2 emissions<sup>11</sup></li> </ul>                                                                                                                                                                                                                                    | Quantitative            | Metric tonnes of CO <sub>2</sub> equivalent           |
| <ul style="list-style-type: none"> <li>Information about any contractual instruments to inform users' understanding of the entity scope 2 emissions<sup>12</sup></li> </ul>                                                                                                                                                                               | Discussion and analysis | n/a                                                   |
| For scope 3 emissions: <ul style="list-style-type: none"> <li>The categories included within the entity's measure of scope 3 emissions in accordance with the scope 3 categories in the <i>Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)</i></li> </ul>                                                | Discussion and analysis | n/a                                                   |
| <ul style="list-style-type: none"> <li>Additional information about the entity's Category 15 emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance</li> </ul>                                                                                     | Quantitative            | Metric tonnes of CO <sub>2</sub> equivalent           |
| <b>Transition risks</b>                                                                                                                                                                                                                                                                                                                                   |                         |                                                       |
| The amount and percentage of assets or business activities vulnerable to transition risks                                                                                                                                                                                                                                                                 | Quantitative            | Amount, percentage                                    |
| <b>Physical risks</b>                                                                                                                                                                                                                                                                                                                                     |                         |                                                       |
| The amount and percentage of assets or business activities vulnerable to physical risks                                                                                                                                                                                                                                                                   | Quantitative            | Amount, percentage                                    |
| <b>Opportunities</b>                                                                                                                                                                                                                                                                                                                                      |                         |                                                       |
| The amount and percentage of assets or business activities aligned with climate-related opportunities                                                                                                                                                                                                                                                     | Quantitative            | Amount, percentage                                    |
| <b>Capital deployment</b>                                                                                                                                                                                                                                                                                                                                 |                         |                                                       |
| The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities                                                                                                                                                                                                                                       | Quantitative            | Amount                                                |
| <b>Internal carbon prices</b>                                                                                                                                                                                                                                                                                                                             |                         |                                                       |
| The price for each metric tonne of GHG emissions that the entity uses to assess the costs of its emissions                                                                                                                                                                                                                                                | Quantitative            | Amount per metric tonne of CO <sub>2</sub> equivalent |

<sup>10</sup> Scope 1 emissions are direct greenhouse gas emissions that occur from sources that are owned or controlled by an entity. Scope 2 emissions are indirect greenhouse emissions that occur from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Scope 3 emissions are all indirect emissions (not included in scope 2 emissions) that occur in the value chain of the reporting entity and are categorised into 15 categories. The emissions are measured in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions. See section B2.2 for more information about how this requirement has been implemented in Australian Sustainability Reporting Standards and section B1.3.5 for discussion about proposed fast-tracked amendments to the measurement of greenhouse gas emissions.

<sup>11</sup> "Location-based" does not mean as emission metric based on geographic disaggregation, but rather what grids emissions are generated from, as noted in IFRS S2:BC106 which indicates that "[a]n entity using a location-based approach measures the average emissions intensity of the grids on which energy consumption occurs (most commonly using grid-average emission factor data)".

<sup>12</sup> Contractual instruments are any type of contract between an entity and another party for the sale and purchase of energy bundled with attributes about the energy generation or for unbundled energy attribute claims (unbundled energy attribute claims relate to the sale and purchase of energy that is separate and distinct from the greenhouse gas attribute contractual instruments).

| Category                                                                                                                                                         | Metric                  | Unit of measure |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------|
| An explanation of whether and how the entity is applying the carbon price in decision-making (e.g. investment decisions, transfer pricing and scenario analysis) | Discussion and analysis | n/a             |
| <b>Remuneration</b>                                                                                                                                              |                         |                 |
| Percentage of executive remuneration recognised in the current period that is linked to climate-related considerations                                           | Quantitative            | Percentage      |
| Description of whether and how climate-related considerations are factored into executive remuneration                                                           | Discussion and analysis | n/a             |

### B1.3.3 Industry-based metrics



#### Proposed updates to SASB Standards

In July 2025, the ISSB [released](#) two exposure drafts that would amend the SASB Standards and *Industry-based Guidance on Implementing IFRS S2*.

The exposure drafts are open for comment until 30 November 2025. The ISSB has indicated an effective date of 12 to 18 months after any revisions are made (but early adoption will be available).

More information on these proposed changes is available in section B1.3.6.

IFRS S2 includes industry-based guidance, which originated from the SASB Standards developed for use in the United States<sup>13</sup>. As part of finalising IFRS S2, the ISSB decided to include the industry-based requirements as part of the illustrative guidance to the standard, rather than as a mandatory part of it.

In taking this decision, the ISSB agreed to maintain the requirement in IFRS S2 that entities provide industry-based metrics associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining industry-based metrics, entities are required to refer to and consider the industry-based metrics included in the industry-based guidance. In effect, entities can use the information in the industry-based guidance as a guide to determining the most appropriate industry-specific disclosure, but will not be bound by it.

Additionally, the ISSB decided that the disclosure requirements for “financed emissions” for entities whose activities include asset management, commercial banking or insurance be part of the mandatory application guidance to IFRS S2. As a result, entities in these industries are required to disclose its financed emissions as part of its scope 3 GHG emissions disclosures (i.e. this is a requirement of the Standard rather than non-mandatory industry-based guidance).

In late December 2023, the ISSB announced [targeted amendments](#) made to the SASB Standards, designed to enhance their international applicability.



<sup>13</sup> In August 2022, the Value Reporting Foundation, which included The Sustainability Accounting Standards Board, was merged into the IFRS Foundation. The ISSB has had responsibility for the SASB Standards from that time and is maintaining, enhancing and evolving the SASB Standards.

### B1.3.4 Transitional relief

The implementation of sustainability-related financial disclosure is subject to various transitional reliefs.

In summary, an entity applying IFRS Sustainability Disclosure Standards for the first time can elect **not to**:

- Provide sustainability-related risks and opportunities other than climate-related information<sup>14</sup>
- Provide comparative information in the first year of applying IFRS S1 and IFRS S2 (which means in an entity's second year of application, for an entity who elected to only provide climate-related information in their first year of applying IFRS S1, comparative information would only be required in respect of the climate-related disclosures in IFRS S2)
- Provide sustainability-related disclosures at the same time as the related financial statements (thereby providing additional time for entities to prepare their first set of climate-related disclosures, rather than aligning with financial reporting timeframes)<sup>15</sup>
- Disclose scope 3 GHG emissions under IFRS S2 (in addition, an entity applying this relief would not be required to provide comparatives for scope 3 emissions in the second year of applying IFRS S2)
- Use the GHG Protocol to measure emissions (where a different approach is currently being used).

Together, this relief provides an easier and phased transition to sustainability reporting whilst permitting early application of IFRS Sustainability Disclosure Standards to respond to urgent investor demand for information about climate-related risks and opportunities.



<sup>14</sup> In the Australian context, entities are only required to apply AASB S2, as AASB S1 is a voluntary standard. Accordingly, this transitional relief is not applicable under Australian Sustainability Reporting Standards.

<sup>15</sup> This transitional relief is not available in the Australian context, and accordingly, entities are required to provide their sustainability report at the same time as their financial report (see section D. for details of reporting deadlines under the Corporations Act).

### B1.3.5 ISSB fast-tracked proposal to clarify greenhouse gas emissions measurement and disclosures

On 28 April 2025, the ISSB [released](#) an exposure draft proposing targeted amendments to the disclosure requirements for greenhouse gas emissions arising under IFRS S2.

The proposed amendments resulted from application issues considered by the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) and were agreed by the ISSB at its [January 2025 meeting](#).

The proposed amendments are as follows:

- **Departures from using the GHG Protocol to measure emissions.** The existing reference to using an alternative to the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* (GHG Protocol) when measuring greenhouse gas emissions would be clarified to explain an alternative measure could be used for *part* of an entity when a jurisdictional or exchange requirement applies to that part of an entity. For instance, where the National Greenhouse and Energy Reporting Scheme (NGER) applied to part of the entity, greenhouse gas emissions could be measured using NGER for that part of the entity and the GHG Protocol for the remainder
- **Global warming potential values.** Similar to the GHG Protocol proposals, an entity required by a jurisdictional authority or exchange to use global warming potential (GWP) values other than those from the latest Intergovernmental Panel on Climate Change (IPCC) assessment available at the reporting date, can use those alternative measures when measuring greenhouse gas emissions for *part* of an entity
- **Disclosure of Scope 3 Category 15 greenhouse gas emissions.** Entities would be permitted to limit disclosure of Scope 3 Category 15 (investments) greenhouse gas emissions to financed emissions attributed to loans and investments (including loans, project finance, bonds, equity investments and undrawn loan commitments). For these purposes, the proposals expressly exclude greenhouse gas emissions from derivatives without providing a definition of a “derivative” (due to potential GAAP and framework differences). Furthermore, the proposed amendments would further clarify the disclosure requirements under IFRS S2 do not extend to facilitated emissions and insurance-associated emissions. Entities would be required to provide information about excluded derivative and other financial activity emissions. Entities can voluntarily disclose emissions associated with derivatives, facilitated emissions or insurance-associated emissions
- **Industry classifications.** The proposals would permit an entity with commercial banking or insurance activities to adopt an industry classification other than the Global Industry Classification Standard (GICS) when disaggregating financed emissions where required by a jurisdictional authority or exchange requirement (which may include prudential reporting). Where there is more than one such requirement applying to the entity, the entity would be required to select one classification system. However, if the entity uses GICS in any part of the entity, it would be required to use GICS for all financed emissions. Where the entity does not use GICS and is not subject to jurisdictional or exchange requirements, the entity could use an industry classification system of its choice. Entities would be required to disclose information about any alternative classification system used.

The ISSB intends to fast-track the amendments, expecting redeliberations to be completed in the second half of 2025. The exposure draft was open for a 60 day comment period until 27 June 2025.



The AASB has issued an equivalent exposure draft, [ED SR2 Amendments to Greenhouse Gas Emissions Disclosures](#), and comments closed on 2 June 2025.

For more information on the proposals, see [iGAAP in Focus ISSB proposed amendments to IFRS S2 regarding specific gas emissions disclosure requirements](#).

### **B1.3.6 ISSB proposals to amend the SASB Standards**

The International Sustainability Standards Board (ISSB) has [released](#) two exposure drafts that would amend the SASB Standards and Industry-based Guidance on Implementing IFRS S2.

The exposure drafts are designed to support the implementation of IFRS Sustainability Disclosure Standards by enhancing the SASB Standards. The focus on the project is on further enhancing international applicability, improve interoperability with other sustainability-related standards and frameworks and to include amendments in relation to biodiversity, ecosystems and ecosystem services (BEES) and human capital (to provide input into the ISSB's research projects in these areas).

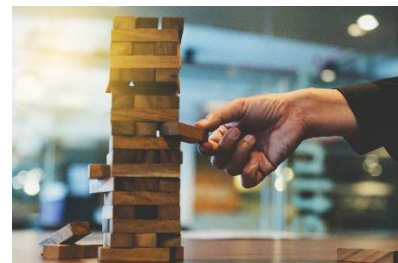
The exposure drafts propose:

- Substantial amendments to nine SASB Standards as a result of a comprehensive review of those standards. The nine Standards cover coal, construction materials, iron and steel, metals and mining, oil and gas and processed foods
- Targeted amendments to other SASB Standards for 41 industries to maintain consistent disclosures on common topics, affecting disclosure topics and metrics related to greenhouse gas emissions, energy management, water management, labour practices and workforce health and safety.

As the Industry-based Guidance on Implementing IFRS S2 is derived from, and consistent with, the SASB Standards, equivalent amendments are proposed in that document to ensure consistency. Metrics in the guidance would be amended for 10 sectors (i.e. all sectors except the financials sector). In addition, a number of metrics are proposed to be deleted or added across the Industry-based guidance.

The exposure drafts are open for comment until 30 November 2025. The ISSB has indicated an effective date of 12 to 18 months after any revisions are made (but early adoption will be available).

In the Australian context, AASB S2 *Climate-related Disclosures* does not require entities to refer to or consider the SASB Standards or Industry-based Guidance on Implementing IFRS S2 (but entities can voluntarily choose to do so). The AASB has not conducted consultation on the full suite of SASB Standards or the Industry-based Guidance on Implementing IFRS S2 but has previously signalled an intention to finalise requirements for climate-related industry-based information in Australia by 2030.



## B1.4 ISSB priorities

In May 2023, the ISSB released [Request for Information Consultation on Agenda Priorities](#), seeking feedback on its priorities for the following two years. After deliberations, in June 2024, the ISSB released a [Feedback Statement](#) indicating that the ISSB had decided to:

- Place a high level of focus on supporting the implementation of IFRS S1 and IFRS S2 (see section B1.4.1)
- Place a slightly lower level of focus on enhancing the SASB Standards
- Add research projects to its work plan (see section B1.4.2) on the risks and opportunities associated with:
  - Biodiversity, ecosystems and ecosystem services (BEES)
  - Human capital.



The ISSB decided against specifying how much focus it would place on the core activities of connectivity with the IASB, interoperability with other sustainability-related standards and frameworks, and stakeholder engagement, acknowledging that these activities are integral to all the ISSB's work.

### B1.4.1 Supporting the implementation of IFRS S1 and IFRS S2

As part of its ongoing commitment to supporting the implementation of IFRS S1 and IFRS S2, the ISSB has undertaken activities and issued publications, including:

- Fast-tracking a proposal to clarify greenhouse gas emissions measurement and disclosure (see section B1.3.5)
- Progressively improving the SASB Standards (see section B1.3.6)
- Publishing the following educational materials and guidance documents:
  - [Disclosing information about anticipated financial effects applying ISSB Standards](#) (August 2025)
  - [Using ISSB Industry-based Guidance when applying ISSB Standards](#) (July 2025)
  - [Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2](#) (June 2025)
  - [Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2](#) (June 2025)
  - [Greenhouse Gas Emissions Disclosure requirements applying IFRS S2 Climate-related Disclosures](#) (May 2025)
  - [Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2](#) (January 2025)
  - [Sustainability-related risks and opportunities and the disclosure of material information](#) (November 2024)
  - [Comparison – IFRS S2 with the TCFD Recommendations](#) (updated November 2024)
  - [ESRS-ISSB Standards Interoperability Guidance](#) (May 2024)
  - [Using the SASB Standards to meet the requirements in IFRS S1](#) (February 2024)
  - [Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards](#) (January 2024)
  - [Nature and social aspects of climate-related risks and opportunities](#) (December 2023).

Where considered relevant, signposts to, and extracts from, these materials have been included in Section E. to assist readers to understand the core requirements of AASB S2.

### B1.4.2 Current status of ISSB research projects

In undertaking its research projects, the ISSB decided to build on existing materials (including the SASB Standards, CDSB Framework and the recommendations of the Taskforce on Nature-related Financial Disclosures) and promote interoperability between its own global baseline of sustainability-related financial disclosures and other widely used standards and frameworks (including GRI Standards and European Sustainability Reporting Standards (ESRS)).

The table below provides an overview of current developments in the ISSB's research projects (links are to the ISSB Updates for each meeting):

| Meeting                                      | Progress step                                                                                                                                                                                               | BEES | Human capital |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------|
| <a href="#">July 2024</a>                    | Research design and approach                                                                                                                                                                                | ✓    | ✓             |
| <a href="#">September 2024</a>               | Consideration of related risks and opportunities in the SASB Standards                                                                                                                                      | ✓    | ✓             |
| <a href="#">October 2024</a>                 | Jurisdictional survey on existing and upcoming jurisdictional related disclosure requirements                                                                                                               | ✓    | ✓             |
| <a href="#">November 2024</a>                | Consideration of evidence of investor interest in information about risks and opportunities and evidence of how these risks and opportunities affect entities' prospects                                    | ✓    |               |
|                                              | Other disclosure standards and frameworks                                                                                                                                                                   | ✓    | ✓             |
| <a href="#">January 2025</a>                 | Findings on evidence of investor interest in risks and opportunities                                                                                                                                        | ✓    |               |
|                                              | Related matters where IFRS Accounting Standards might require presentation or disclosure in financial statements                                                                                            | ✓    | ✓             |
| <a href="#">February 2025</a>                | Background on other BEES-related standards and frameworks and comparison of other BEES-related standards and frameworks to IFRS S1 and SASB Standards                                                       | ✓    |               |
|                                              | Investor interest in information about risks and opportunities and the effects of these risks and opportunities on entities' prospects                                                                      |      | ✓             |
| <a href="#">March 2025</a>                   | Current status of disclosure                                                                                                                                                                                | ✓    | ✓             |
|                                              | Evidence of the effects of risks and opportunities on entities' prospects                                                                                                                                   | ✓    |               |
|                                              | Other standards and frameworks for related disclosures                                                                                                                                                      | ✓    | ✓             |
| <a href="#">April 2025</a>                   | Summary of findings from the first phase of the research projects and approach for next phase of the research project                                                                                       | ✓    | ✓             |
| <a href="#">July 2025</a>                    | Proposed project plan and the scope of the second phase of research                                                                                                                                         | ✓    |               |
|                                              | Summary of the proposed amendments to the SASB Standards that relate to the research project and how these proposals take into account the TNFD recommendations and interoperability with the GRI Standards | ✓    |               |
|                                              | Approach to organising human capital concepts                                                                                                                                                               |      | ✓             |
| <a href="#">September 2025</a> <sup>16</sup> | Summary of common investor information needs and comparison to ISSB materials                                                                                                                               | ✓    |               |

<sup>16</sup> At the time of finalisation of this publication (24 September 2025) the agenda papers for this meeting were available but the meeting had not been held.



# B2 Australian sustainability reporting requirements

## B2.1 Legislative framework

### B2.1.1 Enabling legislation

Implementation of the mandatory sustainability legislative framework in Australia was effected through two key pieces of legislation:

| Act                                                                                                   | Commencement      | Measures implemented                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">Treasury Laws Amendment (2023 Measures No.1) Act 2023</a>                                 | 28 November 2023  | <ul style="list-style-type: none"><li>• Implements an initial framework for sustainability reporting</li><li>• Permits the AASB to develop and formulate (non-mandatory) sustainability standards in addition to accounting standards</li><li>• Clarifies the AUASB's function to develop and maintain relevant auditing and assurance standards for sustainability purposes</li><li>• Extends the functions of the Financial Reporting Council to include strategic oversight and governance functions in relation to the AASB and AUASB's sustainability standards functions.</li></ul>                                                                                                            |
| <a href="#">Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024</a> | 18 September 2024 | <ul style="list-style-type: none"><li>• Requires most entities reporting under Chapter 2M of the Corporations Act to prepare a sustainability report (phased in over a number of years)</li><li>• Requires high (2.5°C or more) and low (1.5°C) scenario analyses</li><li>• Extends record keeping requirements to sustainability records</li><li>• Implements requirements for audit and auditor's reports in relation to the sustainability report</li><li>• Permits the AASB to make mandatory sustainability standards for the purposes of the sustainability report under the Corporations Act (prior to this, the AASB could only formulate non-mandatory sustainability standards).</li></ul> |

### B2.1.2 Entities required to prepare sustainability reports under the Corporations Act

Entities which lodge financial reports under Chapter 2M of the Corporations Act are required to prepare sustainability reports, subject to size thresholds (based on their levels of assets, revenues and employees) and a phased in approach (set out in more detail below). There are three groups first reporting from financial years beginning on or after 1 January 2025 (Group 1), 1 July 2026 (Group 2) and 1 July 2027 (Group 3).

In addition, all entities who are required to report under Chapter 2M of the Corporations Act and who also report under the *National Greenhouse and Energy Reporting Act 2007* (NGER) are required to report in either Group 1 or Group 2 even if they do not meet the size threshold criteria.

Finally, registered schemes, registrable superannuation entities and retail CCIVs are excluded from Group 1 (even if they exceed the thresholds for that Group). Instead, these entities are included in Group 2 if the value of assets at the end of the financial year are \$5 billion or more<sup>17</sup>.

<sup>17</sup> If the assets of a registered scheme, registrable superannuation entity or retail CCIV are less than \$5 billion, they may still be captured by the Group 2 or Group 3 thresholds for employees, consolidated assets and consolidated revenue that apply to other entities.

Entities in Group 3 are only required to make disclosures if they face material climate-related risks or opportunities, and where this is not the case, will be able to comply by disclosing a statement that they do not have material climate-related risks and opportunities and why this is the case (s.296B).

Concessions introduced enable consolidated groups to elect to only prepare one sustainability report for the same Australian consolidated group as the related consolidated financial statements.

ACNC-registered entities are exempt from lodging financial reports under Chapter 2M of the Corporations Act and hence are not required to make climate-related financial disclosures.

### B2.1.3 Phased approach to implementation

The three-phased approach to entities reporting under [Chapter 2M](#) of the Corporations Act applies to entities that meet the prescribed sustainability reporting thresholds as outlined below:

- Entities which meet **two or more** of the prescribed size thresholds related to employees, consolidated assets and consolidated revenue, or
- Entities reporting under NGER, or
- In relation to registered schemes, registrable superannuation entities and retail CCIVs, the value of assets is \$5 billion or more.

The specific scoping criteria for entities are set out in the table below:

| Group                 | Annual reporting periods commencing on or after | Category 1                            |                       |                       | Category 2                                     | Category 3                                |
|-----------------------|-------------------------------------------------|---------------------------------------|-----------------------|-----------------------|------------------------------------------------|-------------------------------------------|
|                       |                                                 | Meets two or more of these thresholds |                       |                       | NGER reporters                                 | Registered schemes, RSEs and retail CCIVs |
|                       |                                                 | Employees                             | Consolidated assets   | Consolidated revenue  |                                                |                                           |
| <b>1<sup>18</sup></b> | 1 January 2025                                  | 500 or more                           | \$1 billion or more   | \$500 million or more | Above NGER publication threshold <sup>19</sup> | N/A <sup>20</sup>                         |
| <b>2<sup>21</sup></b> | 1 July 2026                                     | 250 or more                           | \$500 million or more | \$200 million or more | All other NGER reporters                       | \$5 billion assets or more                |
| <b>3<sup>22</sup></b> | 1 July 2027                                     | 100 or more                           | \$25 million or more  | \$50 million or more  | N/A                                            | N/A                                       |

<sup>18</sup> s.1707B(1)(a), s.1707B(2).

<sup>19</sup> Under s.1707B(4)(b), an NGER reporter is required to report in Group 1 if the entity's group meets the threshold in s.13(1)(a) of the *National Greenhouse and Energy Reporting Act 2007*. This threshold is met if the total amount of greenhouse gases emitted by the entity's group is at least 50 kilotonnes of CO<sub>2</sub> equivalent in a year.

<sup>20</sup> Under s.1707B(2)(b), an entity in Group 1 cannot be a registered scheme, registrable superannuation entity or retail CCIV. Accordingly, such entities are not required to report in accordance with the Group 1 even if they meet two or more of the thresholds in Category 1.

<sup>21</sup> s.1707B(1)(b), s.296B(2), (4), (5).

<sup>22</sup> s.292A, s.1707B(1)(c).

For the purposes of the sustainability reporting thresholds (s.292(4), s.292(7)):

- In counting employees, part-time employees are taken into account as an appropriate fraction of a full-time equivalent
- The question of whether an entity controls another is to be determined in accordance with Australian Accounting Standards (i.e. AASB 10 *Consolidated Financial Statements*)
- Consolidated revenue, the value of consolidated gross assets (in Category 1) and the value of assets (in Category 3) are to be determined in accordance with Australian Accounting Standards.

### ASIC guidance on determining amounts

ASIC [Regulatory Guide RG 280](#) *Sustainability reporting* (RG 280) contains some further guidance on how the amounts ascribed to assets, revenue and employees are determined when applying the sustainability reporting threshold tests in Category 1 and Category 3 above.

In particular (RG 280.43):

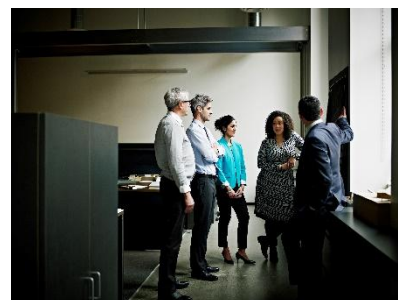
- **Assets:** Total assets are determined as the amount reported as total assets in the statement of financial position or consolidated statement of financial position (as appropriate)
- **Revenue:** Revenue should be determined by reference to the definitions of income and revenue provided in AASB 15 *Revenue from Contracts with Customers*. Depending on the business model, entities may also consider other Australian Accounting Standards that give rise to the recognition of revenue, such as:
  - AASB 9 *Financial Instruments*
  - AASB 11 *Joint Arrangements*
  - AASB 17 *Insurance Contracts*
  - AASB 140 *Investment Properties*
  - AASB 141 *Agriculture*
- **Employees:** In calculating the number of employees, ASIC notes “it may be helpful as a starting point” to refer to paragraph (a) in the definition of “employees and other providing similar services” contained in Appendix A of AASB 2 *Share-based Payment*.

In [ASIC Report 809](#) *Response to submissions on CP 380 “Sustainability reporting”*, ASIC provides further background to the development of the above guidance, reproduced below:

*“In response to feedback, we have amended our guidance to include a new section on revenue, assets and employees. ...*

*However, we recognise that the definitions of these concepts under the accounting standards allow for a degree of interpretation. Therefore, in some cases, a reporting entity may need to seek professional advice in relation to the application of the accounting standards to determine whether the entity meets a sustainability reporting threshold.*

*We have not provided more detailed guidance as we consider that this could impact longstanding financial reporting and audit practices as well as the interpretation of accounting standards in the financial reporting context.”*



Accordingly, ASIC's guidance is not extensive and entities will need to apply judgement in determining the amounts used in the sustainability reporting threshold tests. The table below provides some considerations in response to the limited guidance in RG 280:

| ASIC guidance                                                                                                                                                   | Considerations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The value of assets using the Category 1 and Category 3 tests is determined by reference to total assets reported in the statement of financial position</b> | <ul style="list-style-type: none"> <li>Where there is a choice under Australian Accounting Standards in how an asset is measured (e.g. property, plant and equipment may be measured on the cost basis or revaluation basis), the entity's accounting policy determines the amount to include in the measure of assets</li> <li>The value of assets is determined after the deduction of accumulated depreciation, amortisation, loss allowances, impairment and similar amounts</li> <li>Assets held for sale will be included in the measure of assets</li> <li>For investment entities, total assets are determined on the fair value of the entity's investments (determined under AASB 9 <i>Financial Instruments</i>) rather than the underlying gross assets of the entity's subsidiaries</li> <li>Entities managing assets on behalf of others, such as fund managers, do not include the value of assets under management in the assets measure unless those assets are consolidated by the entity</li> </ul> |
| <b>Judgement is required in determining the revenue measure</b>                                                                                                 | <ul style="list-style-type: none"> <li>The revenue measure can include more than revenue determined under AASB 15</li> <li>Entities should develop a policy on which amounts to include after considering their business model and seeking professional advice if necessary</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Employees include <i>at least</i> individuals regarded as employees for legal and tax purposes<sup>23</sup></b>                                              | <ul style="list-style-type: none"> <li>By using the wording "helpful as a starting point", ASIC implies additional employees may be identified</li> <li>Casual employees who are considered employees for legal and/or tax purposes may be included in the measure (but no further guidance is provided on how such employees would be counted)</li> <li>The linkage to legal concepts may warrant legal advice in some cases.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## B2.1.4 Reporting requirements

### Overview

The enabling legislation introduces a new "sustainability report" forming a fourth report as part of an entity's annual report, alongside the directors' report, financial report and auditor's reports. The auditor's report on the sustainability report is separate from the audit report on the financial report. The sustainability report includes (s.296A(1)):

- The climate statements
- Notes to the climate statements
- Any statements or notes to the statements prescribed by the regulations
- Directors' declaration.

<sup>23</sup> RG 280 refers to subparagraph (a) of the definition of "employees and other providing similar services" in Appendix A of AASB 2 *Share-based Payment*. This definition is as follows (emphasis added): "Individuals who render personal services to the entity and either (a) *the individuals are regarded as employees for legal or tax purposes*, (b) the individuals work for the entity under its direction in the same way as individuals who are regarded as employees for legal or tax purposes, or (c) the services rendered are similar to those rendered by employees"

The climate statements and notes to the climate statements together disclose material climate-related financial risks and opportunities, metrics and targets related to climate (including scope 1, scope 2 and scope 3 GHG emissions) and climate-related governance or risk management processes, controls and procedures. The disclosures are those determined by sustainability standards made for purposes of the legislation (i.e. the Australian Sustainability Reporting Standards made by the AASB) (s.292A(2), RG 280.71).

### **Compliance with Australian Sustainability Reporting Standards and legislative requirements**

The sustainability report must comply with sustainability standards set by the AASB (and any requirements in the regulations) (s.296C). Where those sustainability standards require the disclosure of a scenario analysis, information derived from a scenario analysis or information about a scenario analysis, the scenario analysis must consider *at least* both of the following scenarios (s.296D(2B)):

- A **high global warming scenario** considering an increase in global average temperature that well exceeds the increase mentioned in subparagraph 3(a)(1) of the *Climate Change Act 2022*. The [explanatory memorandum](#) for the enabling legislation indicates this to be 2°C above pre-industrial levels and that an increase of 2.5°C or higher would be considered to “well exceed” the current increase mentioned in the *Climate Change Act 2022*. In [RG 280](#), ASIC notes that there is a risk that reporting entities will not comply with the Corporations Act if they use a climate scenario based on an increase that is less than 2.5°C (RG 280.99)
- A **low global warming scenario** considering an increase in global average temperature limited to the increase mentioned in subparagraph 3(a)(ii) of the *Climate Change Act 2022*. This increase is 1.5°C above pre-industrial levels.



RG 280 outlines that the key objective of these requirements is to ensure that users have information about an entity's climate resilience and material financial risks and opportunities relating to climate that are informed by scenarios that contemplate both (RG 280.100):

- Rapid global decarbonisation in the near term
- More pronounced climate impacts over the medium to longer term.

### **Notes to the climate statements**

In [RG 280](#), ASIC provides guidance on notes to climate statements required by the Corporations Act. The climate statements are those required by the sustainability standards, i.e. AASB S2. ASIC explains it does not expect entities will need to include notes to climate statements in a sustainability report.

In ASIC's view, this is because (RG 280.97):

- The Minister has not made a legislative instrument regarding the preparation and content of climate statements
- AASB S2 does not currently require notes (i.e. the climate statements themselves are prepared in accordance with AASB S2 (s.292A(2), RG 280.71))
- Climate statements that are prepared in accordance with AASB S2 will be sufficient to meet the requirements of the Corporations Act (specifically s.296D).

## Reporting

The sustainability report must be given to members (s.316A(3A)), or if not otherwise required, made publicly available on the entity's website (s.316B) – the latter would apply to entities that are not required to send financial reports to members, e.g. registrable superannuation entities and certain companies limited by guarantee. Public companies required to hold an AGM must lay the sustainability report before the AGM (s.317(1)(aa)).

The reporting timetable for the sustainability report is consistent with existing financial reporting requirements under the Corporations Act, with disclosing entities, registered managed investment schemes and registrable superannuation entities required to report within three months of the end of the financial year. Other entities would report within four months of the end of the financial year.

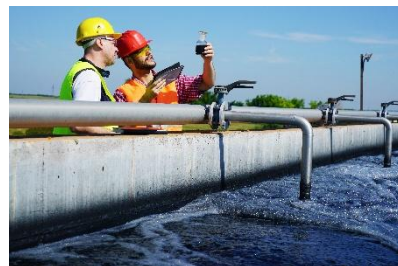
Entities are not precluded from cross referencing to other reports outside of the sustainability report. If cross-referenced reports do not form part of the annual report, ASIC encourages entities to lodge those reports together with the sustainability report (RG 280.87).

### B2.1.5 Assurance requirements

All climate disclosures included in sustainability reports made from 1 July 2030 onwards will be subject to audit (reasonable assurance) (s.301A). At the end of January 2025 the Auditing and Assurance Standards Board (AUASB) approved the adoption of international standard ISSA 5000 *General Requirements for Sustainability Assurance Engagements* and issued the equivalent [ASSA 5000](#) which is applicable to sustainability assurance engagements for reporting periods beginning on or after 1 January 2025<sup>24</sup>.

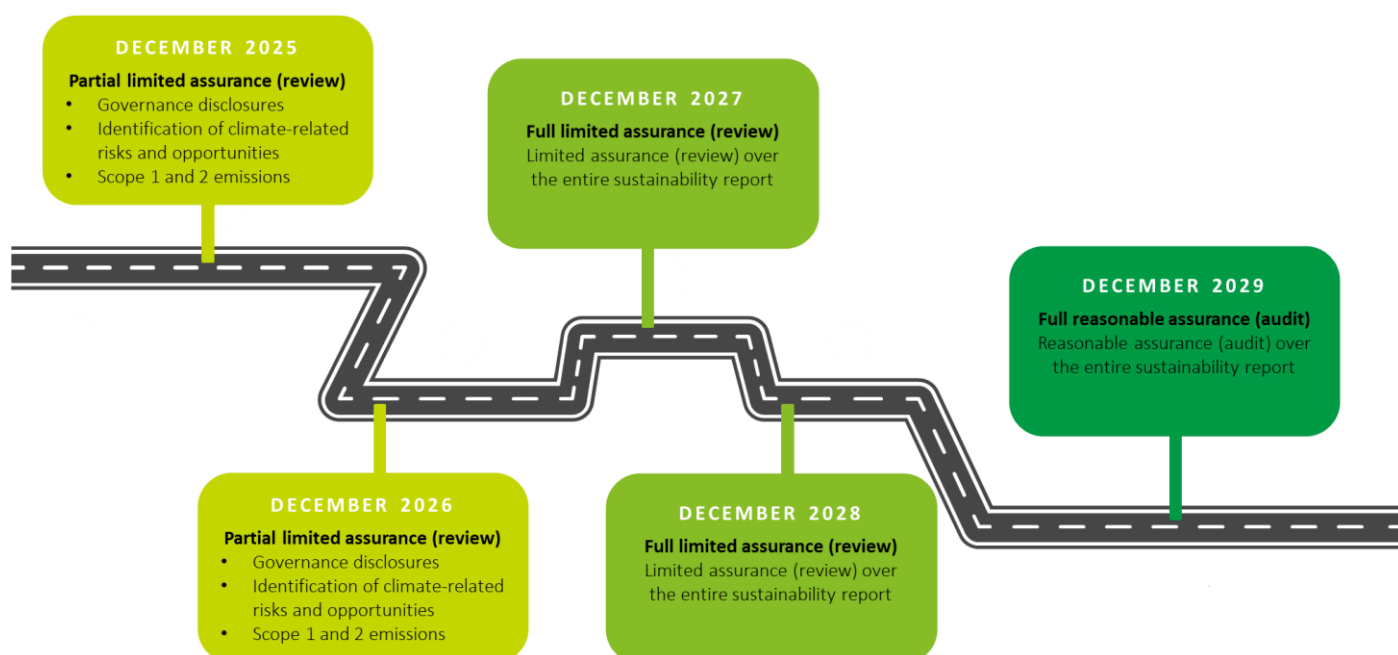
The legislation provides that the requirements for assurance over the sustainability report prior to 1 July 2030 should be determined by the AUASB on a phased-in basis (s.1707E).

On 12 February 2025 the AUASB released [Australian Standard on Sustainability Assurance ASSA 5010](#) *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act* which introduced a timeline of when different parts of a sustainability report require assurance and the level of required assurance for the financial years commencing from 1 January 2025 to 30 June 2030. The phasing depends on whether the entity is a Group 1, 2 or 3 entity, as well the entity's financial reporting year end date. In general, the timeline assumes that an entity's sustainability report would be subject to reasonable assurance (audit) starting from the fourth year of mandatory climate reporting.



<sup>24</sup> In response to matters raised by the auditing profession on initial application of the standard, in April 2025 the AUASB [issued](#) Exposure Draft ED 01/25 *Proposed amendments to ASSA 5000 'General Requirements for Sustainability Assurance Engagements' and ASA 102 'Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements'*. On 4 June 2025, the AUASB [announced](#) minor amendments to ASSA 5000 in relation to the ethics requirements and effective date.

The diagram below illustrates how the assurance requirements will be applied in the first five years of mandatory sustainability reporting for entities with December year ends.



Below is an illustration of how the phasing would operate for Group 1, 2 and 3 entities:

| Year of reporting                                 | Year 1                         | Year 2                      | Year 3                      | Year 4              |
|---------------------------------------------------|--------------------------------|-----------------------------|-----------------------------|---------------------|
| Group 1 – Years commencing                        | 1 January 2025 to 30 June 2026 | 1 July 2026 to 30 June 2027 | 1 July 2027 to 30 June 2028 | 1 July 2028 onwards |
| Group 2 – Years commencing                        | 1 July 2026 to 30 June 2027    | 1 July 2027 to 30 June 2028 | 1 July 2028 to 30 June 2029 | 1 July 2029 onwards |
| Group 3 – Years commencing                        | 1 July 2027 to 30 June 2028    | 1 July 2028 to 30 June 2029 | 1 July 2029 to 30 June 2030 | 1 July 2030 onwards |
| Level of assurance                                | Partial limited <sup>25</sup>  | Full limited                | Full limited                | Full reasonable     |
| Governance                                        | Limited                        | Limited                     | Limited                     | Reasonable          |
| Strategy (risks and opportunities)                | Limited <sup>26</sup>          | Limited                     | Limited                     | Reasonable          |
| Climate resilience assessments/ Scenario analysis | None                           | Limited                     | Limited                     | Reasonable          |
| Transition plans                                  | None                           | Limited                     | Limited                     | Reasonable          |
| Risk management                                   | None                           | Limited                     | Limited                     | Reasonable          |
| Scope 1 and 2 emissions                           | Limited                        | Limited                     | Limited                     | Reasonable          |

<sup>25</sup> “Partial limited assurance” is not a term used by ASSA 5010. However, we have used this to refer to the first year of the AUASB phasing in of assurance requirements, where limited assurance is only required on selected disclosures of the sustainability report rather than the full sustainability report

<sup>26</sup> Limited assurance covers only disclosures under subparagraphs 9(a), 10(a) and 10(b) of AASB S2



| Year of reporting                   | Year 1            | Year 2  | Year 3  | Year 4     |
|-------------------------------------|-------------------|---------|---------|------------|
| Scope 3 emissions                   | N/A <sup>27</sup> | Limited | Limited | Reasonable |
| Climate-related metrics and targets | None              | Limited | Limited | Reasonable |

Each year of phasing under the assurance standard is linked to and ends on 30 June (from 30 June 2026 onwards). This means that “Group 1” entities with financial years commencing between 1 January 2025 and 30 June 2025 have an additional year of partial limited assurance (i.e. effectively have two “Year 1s”).

From the second year of reporting under AASB S2, entities are required to disclose scope 3 emissions. Group 1 entities with reporting years commencing prior to 30 June 2025 (e.g. a 31 December 2025 year end) must therefore disclose scope 3 emissions in their second year of reporting (i.e. 31 December 2026 annual period). However this information will not be subject to assurance until their third year of reporting (i.e. the 31 December 2027 annual period).

B2.1.6 Modified liability



Proposed changes to the modified liability framework

Following an earlier [consultation](#), on 4 September 2025, the Federal Government introduced [Treasury Laws Amendment \(Strengthening Financial Systems and Other Measures\) Bill 2025](#) into Parliament. One of the measures in the Bill would extend the scope of the modified liability framework to:

- Entities preparing voluntary sustainability reports in accordance with the requirements of the Corporations Act before they are mandatorily required to do so (i.e. voluntary sustainability reports prepared in accordance with the requirements of the Corporations Act and complying with AASB S2)
- Entities complying with ASIC instruments dealing with sustainability reporting where the ASIC instrument includes a statement that the modified liability provisions apply.

In both cases, the directors would also be required to make a declaration in the sustainability report (in a prescribed way) that the modified liability provisions apply.

At the date of finalisation of this publication (24 September 2025), the legislation had not passed Parliament and is not law.

In [ASIC Report 809 Response to submissions on CP 380 “Sustainability reporting”](#), ASIC notes that if these measures are legislated, RG 280 will be updated.

The enabling legislation introduces a temporary “modified liability” framework which provides limited immunity from liability for statements in sustainability reports relating to scope 3 emissions, scenario analysis and transition plans, in relation to sustainability reports for financial years that commence on or before three years from 1 January 2025 (the start date) (s.1707D(3)).

<sup>27</sup> Transition relief in AASB S2 provides an exemption from disclosing scope 3 emissions for the first year

In addition, the legislation provides a separate “modified liability” framework in relation to a sustainability report for a financial year commencing during the 12 months from 1 January 2025, for forward-looking statements made in a sustainability report or auditor’s report related to complying with a sustainability standard in relation to climate (s.1707D(4)).

Limited immunity is provided for company directors in respect of the above information (termed “protected statements”) disclosed in a sustainability report as well as for auditors in respect of the statements made in an auditor’s report in respect of these matters.

In RG 280, ASIC notes that:

- Protected statements about scope 3 emissions, scenario analysis and transition plans are likely to include statements about the inputs and assumptions that inform those disclosures (RG 280.65)
- Protected statements can only include statements made for the purposes of complying with a sustainability standard (RG 280.66)

Furthermore, ASIC notes protected statements outside the sustainability report or auditor’s report can only occur when the statement is required to be made under a Commonwealth law and are the same as the protected statement in the sustainability report (s.1707D(1)(b), RG 280.67).

ASIC provides examples of when protected statements may be required to be made (e.g. continuous disclosure obligations, OFR, product disclosure statements) (see RG 280.68 for more information). Accordingly, statements made outside of a sustainability report cannot be protected where they (RG 280:69):

- Are made voluntarily (e.g. investor presentations and promotional material, unless required by law)
- Are included in the sustainability report by cross-reference
- Are a summary or expansion of a protected statement
- Are an updated or corrected protected statement, unless those updates or revisions have been included in a revised version of a protected statement that is required to be made under Commonwealth law.

## B2.2 Australian Sustainability Reporting Standards

On 20 September 2024, the AASB finalised the first Australian Sustainability Reporting Standards, supporting the implementation of mandatory climate-related financial disclosures in Australia by providing the disclosure standards against which entities can report. These new standards apply to annual reporting periods beginning on or after 1 January 2025<sup>28</sup>.

The final Australian Sustainability Reporting Standards closely align with the IFRS Sustainability Disclosure Standards, a shift from the initial [exposure draft](#) released by the AASB in October 2023. That exposure draft included numerous Australian-specific requirements that departed from the IFRS Sustainability Disclosure Standards. However, in response to overwhelming constituent feedback from the consultation process that Australia should not depart from the “baseline” of IFRS Sustainability Disclosure Standards, the AASB decided to align more closely with the global standards, albeit that some differences remain.

The first Australian Sustainability Reporting Standards released by the AASB are:

- **AASB S1** *General Requirements for Disclosure of Sustainability-related Financial Information* (AASB S1) – a voluntary standard covering disclosure of all sustainability-related risks and opportunities
- **AASB S2** *Climate-related Disclosures* (AASB S2) – a mandatory standard covering disclosure of climate-related risks and opportunities.

### B2.2.1 Key differences between IFRS Sustainability Disclosure Standards and Australian Sustainability Reporting Standards

Although AASB S2 is closely aligned with IFRS S2, some differences remain. As such, entities applying AASB S2 in isolation will not be able to make an explicit and unreserved statement of compliance with IFRS Sustainability Disclosure Standards.

The key differences between Australian Sustainability Reporting Standards and IFRS Sustainability Disclosure Standards are set out in the table below:



#### Applicability

IFRS S1 and IFRS S2 were designed to be applied together – in other words entities applying IFRS Sustainability Disclosure Standards cannot apply IFRS S2 without also applying IFRS S1. In Australia, AASB S1 is a **voluntary standard**, whereas AASB S2 is a **mandatory standard**. To give effect to this, AASB S1 has Australian-specific edits explaining that the standard is voluntary even though it uses language such as “shall” and “required”. In addition, relevant material from AASB S1 has been reproduced (using the same paragraph numbers) in an Appendix D to AASB S2 to make AASB S2 operative as a mandatory stand-alone standard.



<sup>28</sup> Although the Australian Sustainability Reporting Standards are applicable to annual reporting periods beginning on or after 1 January 2025, only entities in ‘Group 1’ are required to prepare sustainability reports from that date under the Corporations Act. Accordingly, entities in Group 2 and Group 3 will apply the standards for annual reporting periods beginning on or after 1 July 2026 and 1 July 2027 respectively (i.e. when the Corporations Act requires those entities to prepare a sustainability report).



### Industry-based metrics

AASB S2 excludes references to industry-based disclosure topics in SASB Standards and Industry-based Guidance on Implementing IFRS S2 and does not require the disclosure of industry-based metrics determined after considering those disclosure topics. The AASB is undertaking a separate project to consider industry-based disclosures which will be conducted in two phases (supporting the ISSB in enhancing the SASB Standards, followed by standard-setting activities).



### Sector neutrality

Limited additional provisions in both AASB S1 and AASB S2 cater for not-for-profit and public sector entities (e.g. references to the Framework for the *Preparation and Presentation of Financial Statements* for not-for-profit entities). The AASB has agreed to undertake a separate project in this area in future.



### Statement of compliance

Each of AASB S1 and AASB S2 require a statement of compliance with each specific Standard, rather than “Australian Sustainability Reporting Standards” or “IFRS Sustainability Disclosure Standards”. Accordingly, an entity complying only with the mandatory AASB S2 would make a statement of compliance with AASB S2. Entities looking to also achieve compliance with IFRS Sustainability Disclosure Standards, in addition to applying AASB S2, would need to incorporate consideration of the Industry-based Guidance (that has been removed from AASB S2) and in addition apply AASB S1 in full.



### Transitional provisions

The Australian Sustainability Reporting Standards have fewer transitional provisions (e.g. entities need to publish their initial sustainability reports at the same time as their financial reports, whereas IFRS Sustainability Disclosure Standards permit initial sustainability reports to be published up to nine months after the end of the reporting period).



### Document versions

Due to Australian legislative requirements, references in the Australian Sustainability Reporting Standards to external documents (such as the Global Industry Classification Standard) must specify the version of those documents to apply (whereas IFRS Sustainability Disclosure Standards generally refer to the ‘latest’ version). For example, AASB S2 now explicitly references the “6th assessment report” of the *Intergovernmental Panel on Climate Change* (IPCC) for the purposes of determining global warming potential (GWP) values (whereas IFRS S2 simply refers to the “latest” IPCC assessment report, although the ISSB has [proposed amendments](#) to this requirement which would permit the use of other GWP values if a jurisdictional authority or an exchange on which the entity is listed requires the use of different GWP values (see section B1.3.5)).

## AASB plans in relation to industry-based information

The AASB has indicated that its decision not to mandate entities to consider the disclosure topics and associated industry-based metrics from the SASB standards in AASB S2 is an interim measure.

The AASB plans to introduce such requirements for application from 2030 onwards, following further work to develop industry-based disclosure requirements for Australian entities. While references to the SASB standards have been removed from AASB S2, these standards are still viewed as an appropriate source of guidance in the absence of more explicit or authoritative guidance.

## **Entities reporting under National Greenhouse and Energy Reporting legislation**

In alignment with IFRS Sustainability Disclosure Standards, the Australian Sustainability Reporting Standards prioritise the Greenhouse Gas (GHG) Protocol over the National Greenhouse and Energy Reporting (NGER) legislation as the primary framework for measuring greenhouse gas emissions. However, entities subject to NGER reporting are still permitted to use NGER methodologies under the standard and this will not result in a departure from the requirements of IFRS S2.

Under amendments to IFRS S2 [exposed](#) by the ISSB in late April 2025, the ISSB intends to clarify the jurisdictional relief under IFRS S2 so that, if an entity, in whole or in part, is required by a jurisdictional authority or exchange on which it is listed to use a method other than the GHG Protocol Corporate Standard to measure GHG emissions, the entity would be permitted to use that method instead of the GHG Protocol Corporate Standard.

This would permit the jurisdictional relief to be applied to part of the entity as well as the whole of the entity and so permit an entity to use NGER for part of its emissions (where required to do so) and the GHG Protocol for the remainder. The ISSB intends to finalise any amendments by the end of calendar 2025 and they will be permitted to be early adopted. The AASB also [released](#) an equivalent exposure draft to fast-track equivalent amendments in the Australian content.

For more information, see section B1.3.5.



## B2.3 Australian regulatory perspectives

Following the enabling legislation for mandatory sustainability reporting [becoming law](#), ASIC [called on](#) entities to implement appropriate governance arrangements and sustainability record keeping processes to prepare for sustainability reporting.

To assist reporting entities, ASIC has established a [dedicated sustainability reporting page](#) on the ASIC website to provide information about the new regime and how ASIC will administer it. Reporting entities should refer to this page as an ongoing resource as we understand that it will be updated with further information and regulatory guidance over time.

On 31 March 2025 ASIC issued a [Regulatory Guide 280 Sustainability reporting \(RG 280\)](#). It includes guidance on determining who must prepare a sustainability report under the Corporations Act, the required content of the sustainability report, sustainability-related financial information disclosed outside the sustainability report, and ASIC's administration of the sustainability reporting requirements. The key points of the guide are:

- **Scope** - RG 280 provides guidance on which entities must prepare a sustainability report under the Corporations Act:
  - In response to feedback from its earlier consultation, ASIC provides some guidance on how assets, revenues and employees are determined when applying the sustainability reporting threshold tests. However, in an accompanying feedback report, ASIC notes the need for judgement in this area (see section B2.1.3)
  - In relation to the consolidation relief provisions of the Corporations Act, ASIC notes that a reporting entity that is an Australian subsidiary of a foreign parent must prepare an individual sustainability report and cannot rely on or lodge the foreign parent's sustainability report to avoid preparing a sustainability report for the Australian entity. Additionally, subsidiaries of investment entities must prepare their own sustainability report if they meet the reporting thresholds as they cannot rely on the consolidation relief provisions
  - ASIC has provided relief for stapled entities to allow one entity to prepare a sustainability report on behalf of the stapled group
- **Content** - RG 280 explains the content of the sustainability report includes the key requirements of the Corporations Act (including the legislative requirements for specific scenario analyses) and the disclosures required by AASB S2 *Climate-related Disclosures*. ASIC notes that it will permit additional voluntary sustainability-related information (for example applying AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information*) to be included in a sustainability report provided that mandatory information is clearly identifiable and not obscured. ASIC also provides its views on selected content topics such as scope 3 GHG emissions and the proportionality mechanisms and exceptions under AASB S2
- **Disclosures outside the sustainability report** - ASIC encourages entities to adopt the definitions from AASB S1 and AASB S2 when those terms are also used outside the sustainability report, such as in directors' reports (containing the OFR), fundraising documents and promotional material. This would apply to terms such as climate resilience, scope 1, 2 and 3 greenhouse gas emissions, and climate-related physical and transition risks. ASIC also provides guidance on climate-related financial information in prospectuses and product disclosure statements



- **Supervision and enforcement** - ASIC notes that it will take a “proportionate and pragmatic” approach during the phasing in of the sustainability reporting requirements. ASIC has provided relief to allow electronic lodgement of sustainability reports. ASIC also sets out its policy of when it may grant additional individual relief
- **Directors’ duties** - RG 280 notes the need for directors to have an understanding of the entity’s reporting obligations and climate-related risks and opportunities, to require the establishment of systems, controls, policies and procedures, and to apply a critical lens to disclosures proposed by management
- **Modified liability** - ASIC notes that statements are only protected if they are made for the purposes of complying with a sustainability standard, and so do not extend to other information in the sustainability report that is beyond the sustainability standards (e.g. voluntary disclosures under other frameworks), nor to voluntary information outside the sustainability report (subject to certain conditions). ASIC further notes that if the Government’s proposed amendments to the modified liability regime were to be enacted, it will update its regulatory guidance to reflect the changes (see section B2.1.6).

Listed entities should continue to include climate-related risks and opportunities in their OFR and consider ASIC [Regulatory Guide 247](#) *Effective disclosure in an operating and financial review* when preparing the OFR.

Furthermore, in [RG 280](#), ASIC:

- Notes listed entities must disclose sustainability-related financial information, including climate-related financial information in the OFR, if it would be reasonably required by members in making an informed assessment of the entity’s operations, financial position, business strategies and prospects for future financial years (i.e. under s.299A) (RG 280.123)
- Encourages entities to adopt relevant definitions from AASB S1 and AASB S2 where those terms are used in the OFR and apply the principles for disclosing useful sustainability-related financial information from those standards when disclosing sustainability-related financial information in the OFR (RG 280.124).

Whilst the requirement for an OFR applies to listed entities under s.299A of the Corporations Act, the information remains relevant for other entities reporting under the Corporations Act. There are complimentary requirements in s.299 of the Corporations Act that should be considered by such entities in the context of reporting sustainability information. These include the requirement to disclose a review of operations, significant changes in the state of affairs, likely developments in affairs, and the requirements around the entity’s operations being subject to significant environmental regulation in Australia.

Furthermore, where an entity is not in Group 1 for sustainability reporting purposes, it should consider the implementation of mandatory climate-related financial disclosures when determining annual report disclosures in the current period. This should also extend to the impact of climate-related risks and opportunities on the carrying amounts of assets and liabilities recognised in the financial report and related disclosures.

In August 2025, ASIC [published](#) the first issue of its *Reporting and audit update*, which covers regulatory developments in reporting and audit, including sustainability and financial reporting matters. In this initial update, ASIC announced the publication of a [register of sustainability reporting relief decisions](#) to provide insights into its decision-making process over applications for relief, including any conditions imposed.



The update also noted some observations from ASIC's review of voluntary sustainability disclosures made by Australian entities prior to the implementation of mandatory sustainability reporting. ASIC found that:

- Disclosures were often repetitive, with key information about the management of climate-related risks and opportunities sometimes obscured, making it difficult for users to identify the key information
- Scenario analysis disclosures lacked detail about the underlying assumptions and dependencies relied on
- Where reporting entities had a transition plan, the related disclosures could have been more clearly linked to the entity's targets, actions and strategies.

## B2.4 Proposed guidance on preparing transition plans

In August 2025, Treasury [released](#) a consultation paper *Climate-related Transition Planning Guidance*.

Forming part of the Federal Government's [Sustainable Finance Roadmap](#) and focused on transition plan preparers, the draft guidance included in the consultation paper is structured around four key design principles: international alignment (including the [IFRS Transition Plan Taskforce \(TPT\) Disclosure Framework](#)), supporting domestic decarbonisation and adaptation, balancing ambition with flexibility, and "climate first but not only" (with a particular focus on the linkage between nature and climate).



The document outlines a draft transition planning cycle framework (based on a [TPT framework](#)), which is seen as a continuous cycle as follows:

- **Assess or reassess** – the board or designated committee should assess or reassess their current position (including any existing climate reporting and analysis of climate-related risks and opportunities) to inform the objectives, areas of focus and baseline reporting for the transition plan
- **Set ambition** – the organisation sets its strategic ambition for climate goals and contribution toward the transition to lower greenhouse gas emissions and a climate-resilient economy
- **Plan actions** – plan the actions necessary to deliver the set ambitions, including governance arrangements, and targets and metrics used to track progress
- **Implement** – establish arrangements to continue or start implementation, disclose the transition plan, monitor and report on progress, learn and reflect before re-assessing the entity's position and starting the cycle again.

In relation to the preparation of transition plans, the document adapts the three guiding principles in the IFRS TPT Disclosure Framework of "ambition", "action" and "accountability" into the following topics:

- **Foundations** – providing an overview of the organisation's strategic ambitions for responding to climate-related risks and opportunities, and mitigation and adaptation objectives – including climate change mitigation and adaptation ambitions, other strategic ambitions (including a "just transition"), business model and value change and key assumptions and external factors
- **Implementation strategy** – providing detail on the actions being taken within the organisation's operations, products and services, and policies to achieve its strategic ambition – including decarbonisation, adaptation and resilience and financial planning, considering taxonomy use and alignment and implications for other objectives (e.g. social, nature and circular economy)

- **Engagement strategy** – providing detail on how the organisation is engaging within its value chain and industry peers, as well as more broadly with government, communities (including First Nations peoples) and civil society in achieving its strategic ambitions
- **Metrics and targets** – providing detail on the metrics and targets it is using to drive and monitor progress towards the strategic ambitions – including how to set and express targets (recommending using accepted emissions accounting methodologies and science-based targets), the use of carbon credits and renewable energy certificates (noting entities should prioritise direct emission reductions), and tracking and reporting progress
- **Governance** – providing detail on how the transition plan is embedded within its governance structures and organisational arrangements – including board oversight and reporting, culture, incentives and remuneration and skills, competencies and training.

Throughout the document, there is strong linkage to international and domestic agreements, legislation and regulation and guidance materials. The appendix to the document provides a list of resources relating to climate-related transition planning materials, environmental and social materials, and materials relevant to the climate-related financial disclosures reporting regime.

Treasury is seeking feedback on the draft guidance by 24 September 2025 and expects to finalise the guidance by the end of 2025. At the date of finalisation of this publication (24 September 2025), the guidance has not been finalised.

## B3 Greenwashing

### B3.1 Global perspectives

According to the [World Economic Forum](#), greenwashing is when an entity refers to practices or products as “green” or “sustainable” while ignoring their total contribution to climate change and or the Sustainable Development Goals such as biodiversity or environmental pollution. It generally takes two forms:

- **Selective disclosure** - advertising positive information while hiding the negative. For example, calling paper produced from a sustainably harvested forest sustainable without considering other issues in the paper-making process, such as greenhouse gas emissions or chlorine bleaching
- **Symbolic actions** - Drawing attention to minor issues when the action taken is not meaningful. For example, if financial services or professional firms were only to offset their own emissions while ignoring the potential impact they can have by furthering the sustainability contribution of their clients. They could for example, also be making efforts to help clients with a negative sustainability footprint.



### B3.2 Australian regulatory perspective

In relation to investments, ASIC sees greenwashing as the practice of misrepresenting the extent to which a financial product or investment strategy is environmentally friendly, sustainable or ethical.

ASIC notes that the Corporations Act contains prohibitions against misleading and deceptive statements and conduct, which may be breached where statements about the future (e.g. expected emissions reductions) are made without having reasonable grounds for making the statement.

In August 2024, ASIC released a [report](#) on its regulatory interventions made between 1 April 2023 and 30 June 2024 in relation to concerns about greenwashing claims, summarising its high-level findings, outlining its key recommendations and providing good practice examples identified from its surveillance activities.

During the period covered by the report, ASIC commenced two civil penalty proceedings, finalised one civil penalty, noted over \$11 million in civil penalties were imposed, issued eight infringement notices and obtained 37 corrective disclosure outcomes.

The report noted four broad areas of concern:

- Underlying investments that are inconsistent with disclosed ESG investment screens and investment policies
- Sustainability-related claims made without reasonable grounds
- Insufficient disclosure on the scope of ESG investment screens and investment methodologies
- Sustainability-related claims made without sufficient detail.

Whilst many of these concerns relate to investment managers, funds, super funds and similar entities, many of the examples related to broader considerations, such as entities claiming “net zero” or “carbon neutral” operations without support for that claim.

“Greenwashing can erode investor confidence in the market for sustainability-related products and poses a threat to a fair and efficient financial system”

**ASIC Information Sheet 271**

Furthermore, the report noted findings and recommendations from ASIC's range of surveillance activities focused on sustainability-related disclosure and governance practices of listed companies, managed funds and superannuation funds.

In relation to listed companies, ASIC identified common disclosure concerns, including:

- Inconsistent and interchangeable use of key terms in corporate disclosures such as "zero emissions", "net zero emissions" and "carbon neutral", noting that this practice does not support investor comprehension
- Key inputs, assumptions and contingencies used for climate-related statements were not always sufficiently disclosed
- Mixed practices in the approaches taken when accounting for carbon emissions, particularly when making climate-related claims
- Climate-related claims that were not appropriately framed or were afforded a level of prominence that did appear to align with the level of priority the company had placed on pursuing the climate target.

Some of the recommendations in relation to listed companies include:

- Any entity making voluntary climate-related disclosures about climate-related metrics and targets should consider and be informed by the disclosure requirements set out in Australian Sustainability Reporting Standards
- The disclosure requirements set out in Australian Sustainability Reporting Standards capture details that will assist investor decision making
- ASIC encourages entities to consider and be informed by the relevant paragraphs of the Australian Sustainability Reporting Standards, which contain the information required for an investor to understand and assess climate-related metrics and targets.

ASIC has secured additional funding in recent Federal Budgets to continue its focus on greenwashing.

Further, ASIC continues to recommend that entities consider the guidance in [ASIC Information Sheet INFO 271](#) *How to avoid greenwashing when offering or promoting sustainability-related products*. Whilst focused on financial products issued by funds, ASIC acknowledges the concepts and recommendations are also relevant for other entities, such as listed entities and in relation to the issue of "green bonds". Furthermore, in [Reporting and audit update – Issue 1](#), issued in August 2025, ASIC notes "[e]ntities making any kind of sustainability-related claim should consider the guidance set out in Information Sheet 271".

ASIC [INFO 271](#) outlines the following factors to consider when preparing communications and disclosures about sustainability:

- **True to label** - Making statements that reflect the underlying reality. "No gambling fund" investing in companies with less than 30% of total revenue from gambling activities is an example of a product not true to label
- **Avoiding vague terminology** - Using broad, unsubstantiated sustainability-related statements or "jargon" without clarification, e.g. we will "contribute towards positive impact for our investors and the world" without additional disclosure about what the positive impacts are or how they will be achieved
- **Not making misleading headline claims** - Making "headline" statements in absolute terms which are qualified or contradicted in later detail



- **Incorporation of sustainability-related factors into decisions and stewardship** - Disclose and clearly explain which sustainability-related considerations are taken into account and how they are incorporated into investment decisions and stewardship activities
- **Investment screening criteria – including exceptions or qualifications** – This factor focuses on investors fully understanding investment screens applied by issuers using clearly explained criteria and any exceptions and qualifications to those criteria. Whilst focused on funds, sustainability related decisions are incorporated into business investment decisions by many entities, e.g. financial institutions reducing exposure to certain high-intensity emission sectors, and similar concerns may arise
- **Influence over benchmark indexes** - Specific to funds, this refers to clearly disclosing when a fund manager has a level of influence over composition of a benchmark index
- **Reasonable grounds for stated sustainability target** - Clearly explaining sustainability targets, how and when the target will be met, how progress will be measured, and any assumptions relied upon when setting targets or measuring progress.



Furthermore, ASIC notes in its [Corporate Plan 2025-2026](#) that it will “focus on greenwashing and complaints handling by insurers following severe weather events”.

ASIC and the Federal Government are strongly focused on greenwashing, and entities should carefully consider ASIC’s guidance and Federal Government policy to respond appropriately in their annual financial reporting and more broadly.

### **B3.3 Greenwashing and sustainability reporting are linked**

In essence, greenwashing is intrinsically linked with the current global and Australian move to mandatory sustainability reporting.

Entities that successfully implement a sustainability reporting framework such as Australian Sustainability Reporting Standards, should thereby typically avoid the risk of greenwashing, as the frameworks provide detail that address matters expected by investors and regulators alike. For instance, AASB S2 and the IFRS Sustainability Disclosure Standards on which AASB S2 is based, focus on the four categories of governance, strategy, risk management and metrics and targets. This will help narrow the gap between green claims and green action.

### B3.4 Financial reporting considerations

ASIC notes that the Corporations Act has general prohibitions against false or misleading statements, or engaging in dishonest, misleading or deceptive conduct in relation to financial products and services. In particular, there is a risk of breaching the misleading statement prohibitions where statements and representations about future matters are not supported with reasonable grounds.

Inconsistencies between sustainability disclosures and financial reporting elevate the risk of greenwashing occurring and entities breaching these legal requirements. There should be consistency between sustainability disclosures and financial reporting to the extent possible.



#### Example

An entity announces an intention to replace equipment used in a manufacturing process with more energy efficient equipment to reduce greenhouse gas emissions.

This intention in itself would not have immediate direct financial reporting consequences. In other words, the replacement equipment would only be recognised as an asset once purchased or as it is constructed.

However, the intention to replace the equipment might have immediate indirect financial reporting impacts, including:

- A need to consider the impacts on depreciation – the carrying amount of the equipment to be replaced may need to be depreciated over a shorter timeframe, and any residual value used in the depreciation calculation may need to be reassessed as likely prices and demand for inefficient machinery may be lower
- Impairment implications may arise – including whether the plans act as an indicator of possible impairment of the existing equipment, cash outflows expected to arise from committed capital spending and the impacts the equipment will have on energy use assumed in recoverable amount models
- Where the new or existing equipment is leased, the implications on lease accounting must also be considered – including lease modification accounting and make good or other provisions
- If the investment is significant, this may have broader implications on capital and liquidity management, and potentially continuous disclosure considerations.

Recognising and disclosing these indirect financial reporting impacts adds support to an entity's announced intention and reduces the risk of greenwashing.

# B4 Other developments

The following highlighted developments have recently occurred (to the date of this publication), in addition to those discussed elsewhere in this section:

## B4.1 International standard setters

### B4.1.1 IASB near-final staff draft examples explaining how climate is taken into account in financial statements

Responding to investor and broader calls for more guidance on the impacts of climate-related risks on financial statements, in July 2024 the IASB issued an [exposure draft](#) that proposed eight illustrative examples providing guidance on how IFRS Accounting Standards are applied in response to climate-related and other uncertainties in financial statements.



As a result of its subsequent redeliberations, in July 2025, the IFRS Foundation released a [near-final staff draft](#) that contained six illustrative examples (removing one original example and combining two others). The IFRS Foundation's early publication of the near-final examples was designed to support timely and informed application of the examples and as such, formal feedback on the examples was not sought. The IASB expects to publish the final examples in October 2025.

The near-final staff draft includes the following illustrative examples:

#### Materiality judgements: additional disclosures (IAS 1/IFRS 18)

##### Scenario 1

A manufacturer operates in a capital-intensive industry, exposed to climate-related transition risks and has developed a climate-related transition plan involving future investments in more energy-efficient technology and changing raw materials and manufacturing methods.

Although, in the entity's circumstances, there are no impacts on the entity's financial position and financial performance, it nonetheless discloses that its transition plan has no effect, based on an assessment of qualitative factors that make this information likely to influence users' decision-making.

##### Scenario 2

A service provider operating in an industry with a low level of greenhouse gas emissions and limited exposure to climate-related transition risks and with low levels of greenhouse gas emissions.

In this scenario, no additional disclosures are made as the industry is known to have limited climate-related transition risks and the entity-specific disclosures are unlikely to influence users' decision-making.

#### Disclosure of assumptions: specific requirements (IAS 36)

An entity's operations have high greenhouse gas emissions and are subject to greenhouse gas emission regulations requiring the entity to acquire emission allowances for some of its emissions. Future emission allowance costs are a key assumption in the entity's impairment assessment.

The entity discloses information about key assumptions such as the future price of greenhouse gas emission allowances and the future scope of emissions regulations, its approach to the values assigned to those assumptions, and considers sensitivity analyses about those assumptions.

#### Disclosure of assumptions: general requirements (IAS 1/IAS 8)

An entity operating in a capital-intensive industry with an indication of impairment arising in the current reporting period. Although no impairment loss is recognised, some of the assumptions made in determining the relevant CGU's recoverable amount have a significant risk of resulting in a material adjustment to the carrying amount of the non-current assets within the next financial year. The entity discloses information about key assumptions and details of the nature and carrying amount of the relevant CGU's non-current assets.



### Disclosure about credit risk (IFRS 7)

A financial institution providing a range of products to various customers, including loans to agricultural and corporate real estate customers exposed to climate-related risks. The entity considers what information to provide about the effects of climate-related risks on its exposure to credit risk on those two portfolios, including credit risk management practices, how the climate-related risks were incorporated into inputs, assumptions and estimation techniques used to determine expected credit losses, information about collateral, and concentrations of climate-related risks.

### Disclosure of disaggregated information (IFRS 18)

An entity has long-life property, plant and equipment (PP&E) producing high amounts of greenhouse gas emissions and alternative PP&E with lower greenhouse gas emissions. Together these assets make up a large portion of the entity's total assets.

The entity concludes the two types of PP&E have significantly different vulnerabilities to climate-related transition risks and so have sufficiently dissimilar risk characteristics that requires the disaggregation of the two types of PP&E in the notes to the financial statements.

### Disclosure about decommissioning and restoration provisions (IAS 37)

A manufacturer has plant decommissioning and site restoration obligations for its facilities. Due to an expectation of operating some of its facilities for an extremely long time, the present value of these obligations is immaterial. However, the costs to settle the obligations will be high and there is a significant and increasing risk that some facilities may be required to close earlier than expected. The entity would provide a description of the nature of the obligations and an indication of uncertainties about the amount or timing of outflows (including for example when the facility is expected to be closed).

The proposed examples would not change the requirements of IFRS Accounting Standards, but instead provide guidance on how IFRS Accounting Standards should be applied to climate-related risks and other uncertainties. Furthermore, the examples would not form a mandatory part of the IFRS Accounting Standards to which they relate, and accordingly will not have an effective date. Instead, entities will be entitled to sufficient time to implement any changes to the information disclosed in their financial statements as a result of the issuance of the illustrative examples.

The proposed examples may inform entity's decision making in relation to the disclosure of climate-related risks in financial statements in periods before any illustrative examples are formally published.

The issue of the exposure draft follows the finalisation of an [IFRIC agenda decision](#) earlier in 2024, which explores how IFRS Accounting Standards should be applied in the context of an entity's commitment to reduce greenhouse gas emissions.

## Impacts of climate in financial statements

The draft examples published by the IASB reinforce that climate and other sustainability related aspects can impact accounting outcomes and/or necessitate disclosure under existing Australian Accounting Standards. In addition to the draft examples, there are many other climate-related considerations in financial reporting, including, for example:

- **Depreciation and amortisation** – Expected useful lives of assets may change as a result of identified sustainability-related risks and opportunities and the strategy put in place to address those risks and opportunities. For example, the useful life of plant and equipment may change where it is expected to be replaced with lower emission assets
- **Impairment** – Value in use calculations may have positive or negative future impacts due to the physical effects of climate change, related effects on regulation, technological developments and consumer preferences. Changes in market expectations and reputational risk may result in amended business models. These factors may change management cash flow projections or the level of risk associated with achieving cash flows. In addition, narrative disclosure in relation to how the entity's impairment testing has taken climate and other risks and opportunities into account should be considered, and may extend to scenario analysis and detailed discussions of assumptions
- **Fair values** – The requirements of AASB 13 *Fair Value Measurements* would include the consideration of climate risks and opportunities where relevant. For example, expected changes in consumer preferences or the risk of assets being stranded may change market pricing of assets
- **Provisions** – Anticipated climate responses may change the timing of outflows for decommissioning, make good and similar provisions. Changes in consumer preference or increased costs necessary to comply with climate regulatory requirements may lead to onerous contracts. The [IFRIC agenda decision](#) on climate-related commitments should also be considered (see section A3.3).

These impacts should be considered in financial reports prior to the implementation of climate reporting under Australian Sustainability Reporting Standards. In addition, disclosure of **key sources of estimation uncertainty** and **significant judgements** arising from climate may be necessary.

Once implemented, Australian Sustainability Reporting Standards contain further requirements for connected information, including across sustainability-related financial disclosures and other general purpose financial reports published by an entity, such as financial statements. Furthermore, data and assumptions used in preparing sustainability-related financial disclosures are required to be consistent, to the extent possible considering the requirements of Australian Accounting Standards, with the corresponding data and assumptions used in the related financial statements.

Entities disclosing climate-related risks in their OFRs (as recommended by ASIC) or voluntarily making climate and other disclosures elsewhere in their annual report, should consider the connectivity guidance in Australian Sustainability Reporting Standards in relation to those disclosures.

### B4.1.2 International assurance standards on sustainability

In November 2024 the International Auditing and Assurance Standards Board (IAASB) published the final version of its [International Standard on Sustainability Assurance \(ISSA\) 5000 General Requirements for Sustainability Assurance Engagements](#).

The standard will serve as a comprehensive, stand-alone standard suitable for any sustainability assurance engagements, including limited and reasonable assurance engagements. The standard applies to sustainability information reported across any sustainability topic and prepared under multiple frameworks.

In January 2025 the AUASB issued an equivalent pronouncement, [ASSA 5000 General Requirements for Sustainability Assurance Engagements](#), which applies from 1 January 2025 (subject to certain transitional provisions) (see section B2.1.5).



## B4.2 Other sustainability reporting frameworks

### B4.2.1 Global Reporting Initiative (GRI)

In late January 2024, GRI [announced](#) the publication of [GRI 101 Biodiversity 2024](#), providing an update to its standards on comprehensive disclosure of significant impacts by entities on biodiversity throughout their operations and value chain.

In February 2024 the GRI issued [GRI 14 Mining Sector 2024](#) which is effective for reports or other materials published on or after 1 January 2026, with early adoption encouraged. The Standard which is used with the GRI Universal Standards and the GRI Topic Standards, enables mining companies to use common metrics to report their impacts.

In June 2025, GRI [issued](#) updated GRI 101 *Climate Change 2025* and GRI 103 *Energy 2025*, which are effective for reports and other materials published on or after 1 January 2027. These topic standards have been updated to reflect recent developments and relevant authoritative intergovernmental instruments in the field of climate change, greenhouse gas emissions and energy.

During 2025, the GRI also issued exposure draft proposals on:

- [Labour](#)
- [Sector standards for financial services](#)
- [Clarity and coherence amendments across all sector standards](#)
- [Sector standards for textiles and apparel](#).

At the date of finalisation of this document (24 September 2025), finalised standards had not been made.

### B4.2.2 Nature-related financial disclosures

In September 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) published its final [recommendations](#) and [guidance](#) for nature-related risk management and disclosure.

The recommendations aim to help businesses start measuring, managing and disclosing their nature-related impacts, dependencies, risks and opportunities. The recommendations include a set of recommended disclosures, building on the four pillars that have been used by the TCFD, i.e. governance, strategy, risk and impact management, and metrics and targets.

At the January 2024 Davos meeting, the TNFD [announced](#) that 320 organisations (including 12 from Australia at that time<sup>29</sup>) have committed to start making nature-related disclosures based on the [TNFD Recommendations](#) published in September 2023.

In April 2025, the IFRS Foundation and TNFD [announced](#) the signing of a Memorandum of Understanding (MOU) signalling both parties' commitment to build upon the TNFD recommendations in the ongoing work of the ISSB, to enable nature-related financial disclosures for use by capital markets. Under the MOU, the ISSB will consider the relevance of the TNFD recommendations in meeting the needs of global capital markets. Furthermore, the ISSB and TNFD will share research, knowledge and technical expertise to inform both the ISSB's biodiversity, ecosystems and ecosystem services (BEES) project and nature-related aspects of its project to enhance the SASB Standards (see also section B1.4.2).

For more information, see [IGAAP in Focus Sustainability reporting: TNFD publishes final recommendations for nature-related risk management and disclosure](#).



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<sup>29</sup> In October 2024, the TNFD [announced](#) that the total number of Australian companies and financial institutions committed to getting started with voluntary reporting of their nature-related issues in line with the TNFD recommendations stood at 23.

## B4.3 Global sustainability reporting requirements that may apply to Australian entities

### B4.3.1 New Zealand

The New Zealand External Reporting Board (XRB) has published three [Aotearoa New Zealand Climate Standards](#), which apply to annual reporting periods beginning on or after 1 January 2023. The Standards are based on the Taskforce on Climate-Related Disclosures (TCFD) recommendations, but in some cases have been aligned with the ISSB proposals in (the then draft) IFRS S1 and IFRS S2.

In November 2024, the XRB finalised [amendments](#) that extended the transitional provisions related to the presentation and assurance of scope 3 greenhouse gas emissions under the [Aotearoa New Zealand Climate Standards](#). In addition, in December 2024, the New Zealand Ministry of Business, Innovation, and Employment sought [public feedback](#) on potential adjustments to the climate-related disclosures regime in New Zealand. Comments closed on 14 February 2025 and as at the date of finalisation of this publication (24 September 2025), no legislative changes have been made.

### B4.3.2 Europe

In December 2022, the European Commission published its [Corporate Sustainability Reporting Directive](#) (CSRD) in the Official Journal of the European Union. The CSRD came into effect on 5 January 2023 and is required to be transposed into European Member States' national legislation within 18 months of that date.

The CSRD aims to improve sustainability reporting to better exploit the potential of the European single market and to contribute to the transition to a fully sustainable and inclusive economic and financial system in line with the European Green Deal and the UN Sustainable Development Goals.

The CSRD, as originally implemented, applied on a worldwide basis to certain entities on a phased-in basis, commencing in 2024 for entities listed on an EU regulated market (where they have more than 500 employees), and ultimately extending to foreign entities that generate a net turnover of more than EUR 150 million (and meeting other requirements) with effect to financial years commencing on or after 1 January 2028.

Subsequently, in late July 2023, the European Sustainability Reporting Standards (ESRS) were finalised and [adopted](#) by the European Commission. The ESRS will be used by entities reporting under the CSRD, which will be progressively required over the 2024-2028 period.

Australian entities listed in the European Union, or that have operations in Europe, may be within scope (subject to revenue thresholds in some cases) and be required to report under the ESRS on their consolidated operations at the global ultimate parent level.

### Recent developments

In February 2025, the European Commission [published](#) several pieces of proposed legislation ("omnibus proposal") that aim to reduce significantly the sustainability and due diligence reporting burden for entities. In late March 2025, the European Commission (EC) [directed](#) the EFRAG Sustainability Reporting Board (SRB) with the simplification of the ESRS.

In April 2025, the European Parliament voted to [approve](#) the "stop-the-clock" proposals of the European Commission (EC) to postpone the application of the





Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) for certain entities.

On 31 July 2025, the EFRAG SRB [published](#) revised and simplified exposure drafts of the ESRS with a 60 day comment period closing on 29 September 2025.

For more information, see:

- [iGAAP in Focus](#) *Worldwide reach of the Corporate Sustainability Reporting Directive* (updated February 2025)
- [iGAAP in Focus](#) *EFRAG proposes revised European Sustainability Reporting Standards*
- [iGAAP in Focus](#) *EU Commission proposes significant reduction in sustainability and due diligence reporting requirements*
- [iGAAP in Focus](#) *EU Commission announces far-reaching simplification in the fields of sustainability reporting, due diligence and taxonomy*
- [iGAAP in Focus](#) *Fair presentation under the Corporate Sustainability Reporting Directive (CSRD)*
- [iGAAP in Focus](#) *EFRAG proposes ESRS for listed small- and medium-sized enterprises*
- [iGAAP in Focus](#) *European Sustainability Reporting Standards finalised.*

### **B4.3.3 California**

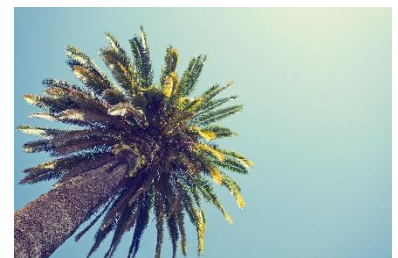
In October 2023, new Californian legislation was signed into law which may impact entities with United States incorporated subsidiaries that have operations in the state of California.

Under bill [SB-253](#) *Climate Corporate Data Accountability Act*, various entities incorporated under United States law doing business in California where revenue exceeds a US\$1 billion threshold will be required to publicly disclose their scope 1 and scope 2 emissions from 2025 and scope 3 GHG emissions from 2027. Bill [SB-261](#) *Greenhouse gases: climate-related financial risks* will require entities with more than US\$500 million in revenue to prepare a climate-related financial risk report on a biennial basis from 2026.

On 27 September 2024, California Governor Gavin Newsom signed into law California state senate bill [SB-219](#) *Greenhouse gases: climate corporate accountability: climate-related financial risk*, which amends portions of Sections 38532 and 38533 of the California Health and Safety Code that were established upon the passage of California state senate bills SB-253 and SB-261. Bill SB-219 does not delay the reporting deadlines under SB-253 or SB-261.

For more information, see:

- [iGAAP in Focus](#) *California Climate Legislation—Reporting deadlines remain unchanged under new senate bill*
- [iGAAP in Focus](#) *Sustainability reporting: California Climate Legislation*
- [Heads Up](#) *#DeloitteESGNow – The Sweeping Impacts of California's Climate Legislation.*



### B4.3.4 United States

In March 2024, the United States Securities and Exchange Commission (SEC) released final rules to implement mandatory climate-related risk disclosures for SEC registrants.

The rules require disclosures in the financial statements (e.g. impacts due to severe weather events and other natural conditions and a roll-forward of carbon offsets and renewable energy credits) and outside of the financial statements (including scope 1 and scope 2 GHG emissions, governance and oversight of material climate-related risks, material impacts of climate risks, risk management processes and material climate targets and goals).

The new rules were due to be phased in from 2025 to 2033. On 4 April 2024, the SEC issued an [order](#) which has the effect of exercising the SEC's discretion to stay the rules pending the completion of a judicial review of various court petitions seeking review of the rules.

In March 2025, the SEC [voted](#) to end its defence of the rules and in July 2025 issued a [status report](#) in relation to a court request noting it “does not intend to review or reconsider the Rules at this time” and that “the Commission respectfully requests that the Court terminate the abeyance, continue considering the parties’ arguments, and exercise its jurisdiction to decide the case”.

Subsequently, United States State intervenors [filed a response](#) to the SEC's status report asking the court to continue to hold the case in abeyance until the SEC “clearly indicates what it intends to do with the Rules, including whether it will rescind the Rules if the Court upholds them”.

On 12 September 2025, the court [ordered](#) that the petitions challenging the SEC rules be held in abeyance until the SEC either reconsiders the rules through a notice-and-comment rulemaking or renews its defence of the rules.

For more information, see:

- [iGAAP in Focus](#) SEC adopts rule that requires climate-related disclosures
- [Heads Up](#) Comprehensive analysis of the SEC's landmark climate disclosure rule.





# C. Details of new and revised pronouncements

This section outlines new and revised pronouncements that have not been previously applied in financial and sustainability reports.

Roadmap to this section

| Section                                      | What is included                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| C1 Overall considerations                    | A summary of the impacts of adopting new and revised pronouncements, and disclosing information about pronouncements not yet adopted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| C2 Summary of new and amended pronouncements | <div>An overview of new and revised accounting pronouncements, classified into those mandatory at 31 December 2025, and those that apply in future periods, grouped as follows:<ul style="list-style-type: none"><li>Financial reporting pronouncements effective for the first-time for 31 December 2025 financial years</li><li>Financial reporting pronouncements effective for the first-time for 31 December 2025 half-years</li><li>Financial reporting pronouncements not yet effective for financial years ending 31 December 2025</li><li>Sustainability reporting pronouncements effective for financial years ending 31 December 2025</li><li>IFRS Interpretations Committee agenda decisions</li><li>Transition implementation group on IFRS S1 and IFRS S2 agenda items</li><li>Legislative developments</li><li>ASIC</li><li>ASX.</li></ul></div> |

The tables and other information in this section outline the new and revised pronouncements and other requirements that are to be applied for the first time at 31 December 2025 (for full and half-year financial statements), or which may be early adopted at that date and which apply to either for-profit Tier 1 and Tier 2 entities, for-profit Tier 2 entities only or not-for-profit entities only.

Although these are Tier 1 full year model financial statements, for completeness, the tables and other information in this section may include new and revised pronouncements and other requirements specific to Tier 2 and not-for-profit entities.

For each pronouncement, the effective date is listed, together with a summary of its applicability to annual reports and half-year reports for periods ending on 31 December 2025.

# C1 Overall considerations



## Impacts of Australian Sustainability Reporting Standards

The information in this section relates to new Australian Accounting Standards (and where applicable, IFRS Accounting Standards), rather than Australian Sustainability Reporting Standards or IFRS Sustainability Disclosure Standards. Accordingly, the information in sections C1.1, C1.2 and C1.3 should not be read as applying to Australian Sustainability Reporting Standards where they are adopted in the current period (for “Group 1” entities) or will be applicable in future periods (for “Group 2” and “Group 3” entities).

“Group 1” entities preparing their first sustainability report should refer to the guidance in Section E. In addition, “Group 1”, “Group 2” and “Group 3” entities should refer to *Considering Australian Sustainability Reporting Standards in the disclosures about Standards effective for the current year or not yet effective* on page 246.

## C1.1 Impacts of adopting new and revised pronouncements

Applying new and revised pronouncements for the first time can result in direct changes in recognition, measurement, presentation and disclosure requirements. In addition, there can be consequential impacts on financial reports through the transitional provisions of the pronouncement and the existing requirements of other Australian Accounting Standards.

The table below outlines some of the areas where these consequential impacts should be considered:

| Area                                                    | Consideration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Updates to accounting policies</b>                   | The terminology and substance of accounting policies may need to be updated to reflect new requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Impact of transitional provisions</b>                | AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> contains a general requirement that changes in accounting policies are retrospectively applied, but this does not apply to the extent an individual pronouncement has specific transitional provisions.                                                                                                                                                                                                                                                                                                                           |
| <b>Disclosures about changes in accounting policies</b> | Where an entity changes its accounting policy as a result of the initial application of an Accounting Standard (including Interpretations as a result of AASB 1048 <i>Interpretation of Standards</i> ) and it has an effect on the current period or any prior period, AASB 108 (subject to any specific transitional provisions of the Standard) requires the disclosure of a number of matters, e.g. the title of the Standard, the nature of the change in accounting policy, a description of the transitional provisions, and the amount of the adjustment for each financial statement line item affected. |
| <b>Third statement of financial position</b>            | AASB 101 <i>Presentation of Financial Statements</i> requires (subject to any specific transitional provisions of the relevant Accounting Standard) the presentation of a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements in a number of situations. This applies where the retrospective application of an accounting policy has a material effect on the statement of financial position at the beginning of the preceding period.                                                                                |
| <b>Earnings per share (EPS)</b>                         | Where applicable to the entity, AASB 133 <i>Earnings Per Share</i> requires basic and diluted earnings per share (EPS) to be adjusted for the impacts of adjustments resulting from changes in accounting policies accounted for retrospectively and AASB 108 requires the disclosure of the amount of any such adjustments.                                                                                                                                                                                                                                                                                      |

## **C1.2 Disclosing information about pronouncements not yet adopted**

The disclosure requirements required in relation to new and revised accounting pronouncements need to be carefully considered where they have not yet been adopted.

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* requires an entity to disclose any known or reasonably estimable information about the possible impact that the application of Australian Accounting Standards on issue which have not been applied, including a discussion of the impact that initial application will have on the entity's financial statements.

ASIC, together with other global regulators, has previously strongly emphasised the need for publicly accountable entities to fully comply with these requirements, particularly where major new pronouncements may have a material impact on an entity's reported financial position or financial performance in future periods.

Entities need to ensure that they comply with the requirements of AASB 108 and respond to regulatory expectations.



**Australian-specific illustrative examples of the disclosures can be found in Appendix 4 in Note 2 (starting on page 248).**

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## **C1.3 Early adoption**

Where early adoption is being contemplated, it is important to address any necessary procedural requirements, e.g. for entities reporting under the Corporations Act, appropriate directors' resolutions for early adoption must be made under s.334(5).

# C2 Summary of new and amended pronouncements

Pronouncements applicable to Tier 2 annual financial statements only are shaded in the tables in this section using grey colouring as illustrated here.

Pronouncements applicable to not-for-profit and public sector annual financial statements only are shaded in the tables in this section using teal colouring as illustrated here.

## C2.1 Financial reporting pronouncements effective for the first-time for 31 December 2025 financial years

The table below summarises the new and amended financial reporting requirements that must be applied for the first time for financial years ending 31 December 2025.

|                                                                                     |                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | See Appendix 5 for a summary of each pronouncement and Appendix 4 (starting on page 247) for illustrative disclosures                                                                                                                                                                                           |
| <hr/>                                                                               |                                                                                                                                                                                                                                                                                                                 |
| <hr/>                                                                               |                                                                                                                                                                                                                                                                                                                 |
| <b>Pronouncement    Change</b>                                                      |                                                                                                                                                                                                                                                                                                                 |
| <hr/>                                                                               |                                                                                                                                                                                                                                                                                                                 |
| <b>Applicable to all annual financial statements <sup>30</sup></b>                  |                                                                                                                                                                                                                                                                                                                 |
| <hr/>                                                                               |                                                                                                                                                                                                                                                                                                                 |
| AASB 1/AASB 121/                                                                    | Lack of exchangeability (AASB 2023-5) ( <a href="#">summary</a> )                                                                                                                                                                                                                                               |
| AASB 1060                                                                           |                                                                                                                                                                                                                                                                                                                 |
| <hr/>                                                                               |                                                                                                                                                                                                                                                                                                                 |
|  | In addition to new pronouncements, entities should also consider the impacts of recent IFRS Interpretations Committee agenda decisions on the financial statements. A summary of recent agenda decisions can be found in section C2.5. All agenda decisions are available on the <a href="#">IFRS website</a> . |
| <hr/>                                                                               |                                                                                                                                                                                                                                                                                                                 |

<sup>30</sup> In addition to the list in the table AASB 2024-4 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128* is effective from annual periods beginning on or after 1 January 2025. The amendments defer the application date of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2028 instead of 1 January 2025. For more details see summary of AASB 2014-10 in Appendix 5 on page 294.

C2.2 Financial reporting pronouncements effective for the first-time for 31 December 2025 half-years

The table below summarises the new and amended financial reporting requirements that must be applied for the first time for half-years ending 31 December 2025.

|                                                                                   |                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | See Appendix 5for a summary of each pronouncement and Appendix 4 (starting on page 247) for illustrative disclosures                                                                                                                                                                                            |
| <hr/>                                                                             |                                                                                                                                                                                                                                                                                                                 |
| Pronouncement                                                                     | Change                                                                                                                                                                                                                                                                                                          |
| <hr/>                                                                             |                                                                                                                                                                                                                                                                                                                 |
| Applicable to all half-year financial statements                                  |                                                                                                                                                                                                                                                                                                                 |
| <hr/>                                                                             |                                                                                                                                                                                                                                                                                                                 |
| AASB 1/AASB 121/<br>AASB 1060                                                     | Lack of exchangeability (AASB 2023-5) ( <a href="#">summary</a> )                                                                                                                                                                                                                                               |
| <hr/>                                                                             |                                                                                                                                                                                                                                                                                                                 |
|  | In addition to new pronouncements, entities should also consider the impacts of recent IFRS Interpretations Committee agenda decisions on the financial statements. A summary of recent agenda decisions can be found in section C2.5. All agenda decisions are available on the <a href="#">IFRS website</a> . |
| <hr/>                                                                             |                                                                                                                                                                                                                                                                                                                 |

## C2.3 Financial reporting pronouncements not yet effective for financial years ending 31 December 2025

The table below summarises the new and amended financial reporting requirements that are not effective for financial years ending 31 December 2025. See [Appendix 5](#) for a summary of each pronouncement and Appendix 4 (starting on page 248) for illustrative disclosures.

| Pronouncement                                 | Change                                                                                                                                                  |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1 January 2026</b>                         |                                                                                                                                                         |
| AASB 9/AASB 7                                 | Classification and measurement of financial instruments (AASB 2024-2) ( <a href="#">summary</a> )                                                       |
| AASB 9/AASB 7                                 | Contracts referencing nature-dependent electricity (AASB 2025-1) ( <a href="#">summary</a> )                                                            |
| AASB 1/AASB 7/<br>AASB 9/AASB 10/<br>AASB 107 | Annual improvements Volume 11 (AASB 2024-3) ( <a href="#">summary</a> )                                                                                 |
| AASB 1060                                     | Classification and measurement of financial instruments: Tier 2 disclosures (AASB 2025-2) ( <a href="#">summary</a> )                                   |
| AASB 1060                                     | Contracts referencing nature-dependent electricity: Tier 2 disclosures (AASB 2025-3) ( <a href="#">summary</a> )                                        |
| <b>1 July 2026 (public sector)</b>            |                                                                                                                                                         |
| AASB 17/AASB 1050                             | Insurance contracts in the public sector (AASB 2022-8 and AASB 2022-9) ( <a href="#">summary</a> )                                                      |
| <b>1 January 2027 (for-profit entities)</b>   |                                                                                                                                                         |
| AASB 18                                       | Presentation and disclosure in financial statements ( <a href="#">summary</a> )                                                                         |
| <b>1 January 2028</b>                         |                                                                                                                                                         |
| AASB 10/AASB 128                              | Sale or contribution of assets between an Investor and its associate or joint venture (AASB 2014-10 and related amendments) ( <a href="#">summary</a> ) |
| AASB 18 <sup>31</sup>                         | Presentation and disclosure in financial statements (superannuation entities) ( <a href="#">summary</a> )                                               |
| AASB 18 <sup>31</sup>                         | Presentation and disclosure in financial statements (not-for-profit entities) ( <a href="#">summary</a> )                                               |

## C2.4 Sustainability reporting pronouncements effective for financial years ending 31 December 2025

The table below summarises the new and amended sustainability reporting requirements that are effective for financial years ending 31 December 2025. See sections 35.4 in [Appendix 5](#) and B1.1 for a summary of each pronouncement and see *Considering Australian Sustainability Reporting Standards in the disclosures about Standards effective for the current year or not yet effective* on page 246 for information about disclosures about sustainability standards in financial statements and elsewhere in the annual report.

| Pronouncement | Topic                                                                                                                       |
|---------------|-----------------------------------------------------------------------------------------------------------------------------|
| AASB S1       | General requirements for disclosure of sustainability-related financial information (voluntary) ( <a href="#">summary</a> ) |
| AASB S2       | Climate-related disclosures ( <a href="#">summary</a> )                                                                     |

<sup>31</sup> For not-for-profit private sector entities, not-for-profit public sector entities and superannuation entities applying AASB 1056, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. Earlier application is also permitted for these entities. This delayed date is to allow the AASB to consult with stakeholders to assess whether AASB 18 should be amended for application by these entities.

## C2.5 IFRS Interpretations Committee agenda decisions

Along with its activity developing formal interpretations of IFRS and proposing that the IASB make amendments to Standards, the IFRS Interpretations Committee regularly publishes summaries of issues that it has decided not to add to its agenda, often accompanied by a discussion of the accounting issue submitted.

Whilst the commentary included in an agenda decision is not formally part of IFRS, it is an important source of guidance that should be carefully considered when selecting a suitable accounting policy. In many jurisdictions there is an expectation from regulators that agenda decisions will be considered, with the European Securities and Markets Authority (ESMA), for example, publicly stating an expectation to this effect. In Australia, the AASB has indicated that an entity is required to apply the Standards, reflecting the explanatory material in a relevant agenda decision.

The table below outlines the agenda decisions published by the Committee since January 2024, grouped by the standards to which they relate. Where a decision relates to more than one standard, it is listed under each standard. Links in the table are to the IFRS Foundation website. The Interpretations Committee has also released twelve volumes of its *Compilation of agenda decisions*, covering all agenda decisions from January 2019 to April 2025. The documents are available at [www.ifrs.org](http://www.ifrs.org).

Tentative agenda decisions are available at [www.ifrs.org](http://www.ifrs.org).

| Pronouncement                                                          | Agenda decision topic                                                                                  | Month finalised | More information                |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------|---------------------------------|
| <b>IFRS 3 Business Combinations</b>                                    | Payments contingent on continued employment during handover periods                                    | April 2024      | <a href="#">Agenda decision</a> |
| <b>IFRS 8 Operating Segments</b>                                       | Disclosure of revenues and expenses for reportable segments                                            | July 2024       | <a href="#">Agenda decision</a> |
| <b>IFRS 9 Financial Instruments</b>                                    | Guarantees issued on obligations of other entities                                                     | April 2025      | <a href="#">Agenda decision</a> |
| <b>IFRS 15 Revenue from Contracts with Customers</b>                   | Recognition of revenue from tuition fees                                                               | April 2025      | <a href="#">Agenda decision</a> |
| <b>IFRS 17 Insurance Contracts</b>                                     | Guarantees issued on obligations of other entities                                                     | April 2025      | <a href="#">Agenda decision</a> |
| <b>IAS 7 Statement of Cash Flows</b>                                   | Classification of cash flows related to variation margin calls on 'collateralised-to-market' contracts | February 2025   | <a href="#">Agenda decision</a> |
| <b>IAS 27 Separate Financial Statements</b>                            | Merger between a parent and its subsidiary in separate financial statements                            | January 2024    | <a href="#">Agenda decision</a> |
| <b>IAS 29 Financial Reporting in Hyperinflationary Economies</b>       | Assessing indicators of hyperinflationary economies                                                    | July 2025       | <a href="#">Agenda decision</a> |
| <b>IAS 37 Provisions, Contingent Liabilities and Contingent Assets</b> | Climate-related commitments                                                                            | April 2024      | <a href="#">Agenda decision</a> |
| <b>IAS 38 Intangible Assets</b>                                        | Recognition of intangible assets from climate-related expenditure                                      | April 2025      | <a href="#">Agenda decision</a> |



## C2.6 Transition implementation group on IFRS S1 and IFRS S2 agenda items

The Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) was established in 2023 shortly after the International Sustainability Standards Board issued its first sustainability disclosure standards. The purpose of the TIG is to support implementation of IFRS S1 and IFRS S2 by providing a public forum for any stakeholder to share implementation questions with the ISSB and to follow the discussion of those questions. These discussions will help the ISSB to determine what, if any, action will be needed to address those issues. Possible actions include providing supporting materials, such as webinars, case studies and other educational materials.

The TIG comprises 17 members, including preparers, assurance providers and official observers from different jurisdictions. The TIG periodically meets in public to discuss submitted questions. During these meeting the TIG members share their views on the issue, and meeting agendas and discussion summaries are posted on the TIG dedicated page on IFRS Foundation website. Though the TIG does not make formal decision or provide authoritative guidance as a result of these discussions, discussion summaries may provide valuable insights and additional information for the entities in the course of the implementation of sustainability disclosure standards and the preparation of a sustainability report.

The table below outlines the agenda items discussed by the TIG from its first meeting to the date of finalising this publication (24 September 2025). The agenda papers and meeting summaries are available at [www.ifrs.org](http://www.ifrs.org).

| Discussion topic                                                                                                                  | Meeting date      | Paper reference     |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------|
| Application of paragraph 29(b)-(c) of IFRS S2, using ISSB Standards and related materials                                         | 15 March 2024     | <a href="#">AP1</a> |
| Revision of preceding period estimated amounts                                                                                    | 15 March 2024     | <a href="#">AP2</a> |
| Revision of preceding period estimated amounts when estimating information from an entity in the value chain                      | 13 June 2024      | <a href="#">AP1</a> |
| Application of the requirements on comparative information when acquiring or disposing of a subsidiary                            | 13 June 2024      | <a href="#">AP2</a> |
| Identification of sustainability-related risks and consideration of risk mitigation activities                                    | 19 September 2024 | <a href="#">AP2</a> |
| Application of the jurisdictional relief to part of a reporting entity                                                            | 19 September 2024 | <a href="#">AP3</a> |
| Scope 3 Category 15 GHG emissions related to financial activities and asset classes that are not explicitly referenced in IFRS S2 | 19 September 2024 | <a href="#">AP4</a> |
| Use of GWP values from the latest IPCC assessment when a jurisdictional authority mandates the use of a different GWP value       | 19 September 2024 | <a href="#">AP5</a> |

## C2.7 Legislative developments

The following amendments and regulations relevant to financial reporting have been made which impact full or half-year financial reports for the first time for at the 31 December 2025 reporting period or which are effective in future periods.

| Development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | When effective                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <p><b><i>Treasury Laws Amendment (2023 Measures No. 1) Act 2023</i></b></p> <p>Amends the following:</p> <ul style="list-style-type: none"> <li><i>Australian Securities and Investments Commission Act 2001</i> to provide the AASB with functions to develop and formulate sustainability standards, expands the AUASB's functions to include formulating auditing and assurance standards for sustainability purposes, and expands the Financial Reporting Council's oversight and governance powers to account for the development of sustainability standards.</li> </ul>                                                                                                                                                                                                                                         | 28 November 2023                          |
| <p><b><i>Treasury Laws Amendment (Making Multinationals Pay Their Fair Share—Integrity and Transparency) Act 2024</i></b></p> <p>Amends the following:</p> <ul style="list-style-type: none"> <li><i>Income Tax Assessment Act 1936</i>, <i>Income Tax Assessment Act 1997</i> and <i>Taxation Administration Act 1953</i> to amend Australia's thin capitalisation regime for most general class entities to align with the OECD's earnings-based best practice model which allows an entity to deduct net interest expense up to a benchmark earnings ratio. The amended rules limit an entity's debt deductions to 30% of its tax EBITDA (unless other options are available to the entity and are elected to apply). See section Changes to thin capitalisation rule on page A-17 for more information.</li> </ul> | 1 July 2023                               |
| <p><b><i>Treasury Laws Amendment (Tax Accountability and Fairness) Act 2023</i></b></p> <p>Amends <i>Petroleum Resource Rent Tax Assessment Act 1987</i> to limit the proportion of petroleum resource rent tax assessable income that can be offset by deductions to 90 per cent. See section A4.1.3 for more information on Petroleum Resource Rent Tax.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1 July 2023                               |
| <p><b><i>Treasury Laws Amendment (Delivering Better Financial Outcomes and Other Measures) Act 2024</i></b></p> <p>Amends the following:</p> <ul style="list-style-type: none"> <li><i>Superannuation Industry (Supervision) Act 1993</i> to clarify reporting obligations of trustee of superannuation entities upon establishment of the entity or upon request for certain information by the Regulator or an authorised person amendments to Treasury portfolio legislation</li> <li><i>Petroleum Resource Rent Tax Assessment Act 1987</i> to align the petroleum resource rent tax general anti-avoidance provisions with the general anti-avoidance provisions in the <i>Income Tax Assessment Act 1936</i> and clarify the meaning of "exploration for petroleum".</li> </ul>                                  | <p>10 July 2024</p> <p>1 October 2024</p> |

| Development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | When effective                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <p><b>Payment Times Reporting Amendment Act 2024</b></p> <p>The amendments seek to improve the operation of the Payment Times Reporting Scheme (Scheme) to influence large businesses to improve their payment practices in dealing with small businesses, including:</p> <ul style="list-style-type: none"><li>• Expanded and revised objects of the Act to better express the purpose of the Scheme</li><li>• Clearer and more effective criteria and processes for entry and exit of the Scheme for reporting entities, including assessing a threshold based on consolidated revenue determined in accordance with Australian Accounting Standards</li><li>• Allowing the controlling entity in a consolidated group determined based on Australian Accounting Standards to provide a single payment times report for the group or to have certain entities within the group report individually</li><li>• Allowing entities to apply to the Payment Times Reporting Regulator (Regulator) to be exempt from their obligation to provide reports under the Act</li><li>• Introducing a power for the Minister to request an entity that is amongst the slowest payers to small businesses to publish on their website and other documentation that they are a slow small business payer</li><li>• Additional functions for the Regulator to research and publish analysis relating to payment terms, times and practices, including a list of fast small business payers</li><li>• Improved compliance and enforcement mechanisms.</li></ul> <p>See <i>Payment Times Reporting Scheme reform</i> on page A-19 for more information.</p> | <p>1 July 2024<sup>32</sup></p> |
| <p><b>Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024</b></p> <p>Amends <i>Australian Securities and Investments Commission Act 2001</i> and <i>Corporations Act 2001</i> to introduce new climate-related financial reporting requirements for entities:</p> <ul style="list-style-type: none"><li>• Requires most entities reporting under Chapter 2M of the <i>Corporations Act</i> to prepare a sustainability report (phased in over a number of years starting from 2025 based on entity size and type)</li><li>• Extends record keeping requirements to sustainability records</li><li>• Requires high (2.5°C or more) and low (1.5°C) scenario analyses as a minimum</li><li>• Implements requirements for audit and auditor's reports in relation to the sustainability report</li><li>• Permits the AASB to make mandatory sustainability standards for the purposes of the sustainability report under the <i>Corporations Act</i>.</li></ul> <p>See section B2.1 for more information.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>18 September 2024</p>        |

<sup>32</sup> 1 July 2024 is set as a transition date operates as a point in time where entities will transition from reporting obligations under the framework of the old Act to new reporting obligations. The Act includes transitional provisions which apply differently for different entities depending on the reporting period.

| Development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | When effective   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <p><b><i>Taxation (Multinational—Global and Domestic Minimum Tax) Act 2024, Taxation (Multinational—Global and Domestic Minimum Tax) Imposition Act 2024, Treasury Laws Amendment (Multinational—Global and Domestic Minimum Tax) (Consequential) Act 2024 and Taxation (Multinational—Global and Domestic Minimum Tax) Rules 2024</i></b></p> <p>The bills form the primary legislation implementing the Pillar Two regime:</p> <ul style="list-style-type: none"> <li>• <i>Taxation (Multinational—Global and Domestic Minimum Tax) Act 2024</i> establishes a taxation framework to implement the Global Anti-Base Erosion (GloBE) Rules (which ensure that multinational enterprises pay a minimum level of tax on the income arising in each of the jurisdictions in which they operate) and an Australian domestic minimum tax for certain multinational enterprise groups with an annual global revenue of at least EUR 750 million</li> <li>• <i>Taxation (Multinational—Global and Domestic Minimum Tax) Imposition Act 2024</i> imposes global and domestic minimum taxes in respect of profits of multinational enterprises that have been undertaxed</li> <li>• <i>Treasury Laws Amendment (Multinational—Global and Domestic Minimum Tax) (Consequential) Act 2024</i> amends 5 Acts to make amendments consequential on the introduction of global and domestic minimum taxes in Australia, including amendments to ensure that the taxes interact appropriately with existing Australian taxation laws.</li> </ul> <p>Whilst the primary legislation establishes a framework to apply top-up tax, <i>Taxation (Multinational—Global and Domestic Minimum Tax) Rules 2024</i> form the subordinate legislation and include the detailed calculations required to arrive at a liability to top-up tax, including:</p> <ul style="list-style-type: none"> <li>• Computing and allocating GloBE Income or Loss</li> <li>• Computing and allocating Adjusted Covered Taxes</li> <li>• Application to investment and Tax Transparent Entities</li> <li>• Safe harbour provisions</li> <li>• Transitional provisions for multinational enterprises.</li> </ul> <p>See section A3.1 for more information.</p> | 1 January 2024   |
| <p><b><i>Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Act 2024</i></b></p> <p>Introduced with the <i>Capital Works (Build to Rent Misuse Tax) Bill 2024</i>, the Bill amends the following:</p> <ul style="list-style-type: none"> <li>• <i>Income Tax Assessment Act 1936, Income Tax Assessment Act 1997 and Taxation Administration Act 1953</i> to provide incentives for investors to support the construction of new build to rent developments by increasing the capital works deduction rate to 4 per cent per year and reducing the final withholding tax rate on eligible fund payments from eligible managed investment trust investments to 15 per cent. See section A4.1.6 for more information</li> <li>• <i>Taxation Administration Act 1953</i> to impose a new country by country reporting obligation on certain large multinational enterprises. See section A4.1.5 for more information.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1 January 2025   |
| <p><b><i>Taxation Administration (Country by Country Reporting Jurisdictions) Determination 2024</i></b></p> <p>Under sections 3D and 3DA of the <i>Taxation Administration Act 1953</i>, certain large multinational enterprises (defined as CbC reporting parents) are required to publish selected tax information on a country-by-country (CbC) basis for specified jurisdictions, and on either a CbC basis or an aggregated basis for the rest of the world.</p> <p>Taxation Administration (Country by Country Reporting Jurisdictions) Determination specifies the jurisdictions for which the CbC reporting parent must publish selected tax information on a CbC basis, if the CbC reporting group operates in that jurisdiction.</p> <p>See section A4.1.5 for more information.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 18 December 2024 |

| Development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | When effective                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <p><b><i>Future Made in Australia (Production Tax Credits and Other Measures) Act 2025</i></b></p> <p>Introduces the following tax incentives:</p> <ul style="list-style-type: none"> <li>A hydrogen production tax offset, a refundable tax offset that is available at a rate of \$2 for a kilogram of eligible hydrogen for companies that satisfy the eligibility requirements in relation to hydrogen produced in income years starting on or after 1 July 2027 and before 1 July 2040</li> <li>A critical minerals production tax incentive, in the form of a new refundable tax offset, to support the processing of critical minerals in Australia. The incentive applies to expenditure incurred in income years starting on or after 1 July 2027 and before 1 July 2040.</li> </ul> <p>See section A4.1.6 for more information.</p>                                                    | 1 July 2027                                |
| <p><b><i>Treasury Laws Amendment (Fairer for Families and Farmers and Other Measures) Act 2024</i></b></p> <p>Amends the following:</p> <ul style="list-style-type: none"> <li><i>Australian Securities and Investments Commission Act 2001</i> and <i>Corporate Collective Investment Vehicle Framework and Other Measures Act 2002</i> to facilitate the return of responsibility and resources for administering Commonwealth business registers from the Australian Taxation Office to the Australian Securities and Investments Commission, in winding up the Modernising Business Registers Program</li> <li><i>Corporations Act 2001</i> to clarify the disclosure requirements for the consolidated entity disclosure statement and explain when consolidated trusts and partnerships are considered tax resident in Australia.</li> </ul> <p>See section A4.3 for more information.</p> | <p>31 December 2024</p> <p>1 July 2024</p> |
| <p><b><i>Treasury Laws Amendment (Tax Incentive and Integrity) Act 2025</i></b></p> <p>Amends the following:</p> <ul style="list-style-type: none"> <li><i>Income Tax Assessment Act 1997</i> to remove income tax deductions for amounts of general interest charge and shortfall interest charge, incurred in income years starting on or after 1 July 2025</li> <li><i>Income Tax (Transitional Provisions) Act 1997</i> to extend the \$20,000 instant asset write-off by 12 months until 30 June 2025. See section A4.1.6 for more information.</li> </ul>                                                                                                                                                                                                                                                                                                                                  | <p>1 April 2025</p> <p>1 April 2025</p>    |

## C2.8 ASIC



### ASIC regulatory simplification

On 3 September 2025, ASIC released a new [report](#) on regulatory simplification, which outlines ASIC's progress on simplification in the way ASIC administers the law in areas where it regulates and seeking input on further initiatives.

The report's release was foreshadowed in ASIC's [Corporate Plan 2025-26](#), which includes an emphasis on simpler and better regulation, with ASIC considering the best approach is "to attack a clearly identified group of specific problems".

From a corporate reporting perspective, the report proposes:

- To improve access to regulatory information by improving the ASIC website (already actioned), reviewing the approach to regulatory guidance (noting it is targeted at technical users, dispersed across a range of documents, inconsistently named, unclear and does not address small-business needs) and introducing sector-based regulatory roadmaps
- To reduce complexity in regulatory documents by simplifying and consolidating legislative instruments using best-practice drafting principles, including two pilots of consolidating and streamlining legislative instruments (21 identified Corporations Instruments related to financial reporting, accounting and audit and two instruments related to investor directed portfolio services (IDPS) and IDPS-like schemes).

Feedback is requested by 15 October 2025. At the date of finalisation of this document (24 September 2025), the consolidated Corporations Instrument and updated guidance had not been issued.

#### Implications for annual reports at 31 December 2025

In the event the proposals are finalised in their current form, the citations of financial reporting-related instruments in the annual report will need to be updated to refer to the new consolidated Corporations Instrument from the date it is effective (if prior to 31 December 2025). The citation of the instrument may need to reference the specific section of the consolidated Corporations Instrument because different parts of the proposed instrument refer to different types of entities.

For example, in the event the proposals are finalised in their [current form](#), the information about rounding would be similar to the following:

The *[company/disclosing entity/registrable superannuation entity]* is an entity of a kind referred to in **section [9] of ASIC Corporations (Financial Reporting, Accounting and Audit) Instrument 2025/XXX<sup>33</sup>** and in accordance with that Corporations Instrument amounts the *[directors' report/financial report]* are rounded off to the nearest *[dollar / thousand dollars / hundred thousand dollars / million dollars]*, unless otherwise indicated.

[ASIC regulatory tracker](#) lists and includes links to all new and updated regulatory guides, information sheets, reports and consultation papers issued by ASIC. It also includes links to legislative instruments (including rules, determinations and waivers) made by ASIC. This resource allows for the easy monitoring of new developments and announcements.

<sup>33</sup> The name and number of the final Corporations Instrument should be used.

The tables below outline financial reporting related ASIC instruments, regulatory guides and other guidance which have been issued, updated or effective since 1 January 2025. Links are to the ASIC website, or [www.legislation.gov.au](http://www.legislation.gov.au).

## C2.8.1 ASIC pronouncements

| Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Effective date  | Link to document                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------|
| <b>ASIC Corporations (Amendment) Instrument 2025/164</b><br>Amends: <ul style="list-style-type: none"> <li>ASIC Corporations (Financial Reporting by Stapled Entities) Instrument 2023/673 to enable stapled entities relying on the relief in that instrument to prepare a sustainability report on behalf of the stapled group</li> <li>ASIC Corporations (Electronic Lodgment of Financial Reports) Instrument 2016/181 to permit the electronic lodgement of the sustainability report.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 31 March 2025   | <a href="#">ASIC-CI-2025/164</a><br><a href="#">ASIC-CI-2023/673</a><br><a href="#">ASIC-CI-2016/181</a> |
| <b>ASIC Corporations (Amendment) Instrument 2024/806</b><br>Amends ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251 and ASIC Corporations (Group Purchasing Bodies) Instrument 2018/751 to take account of the establishment of the Administrative Review Tribunal (ART) by the Administrative Review Tribunal Act 2024 and the abolition of the Administrative Appeals Tribunal (AAT) by the Administrative Review Tribunal (Consequential and Transitional Provisions No. 1) Act 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 14 October 2024 | <a href="#">ASIC-CI-2024/142</a><br><a href="#">ASIC-CI-2015/251</a><br><a href="#">ASIC-CI-2018/751</a> |
| <b>ASIC Corporations (Amendment and Repeal) Instrument 2024/229</b><br>Repeals ASIC Corporations (Extended Reporting and Lodgment Deadlines - Unlisted Entities) Instrument 2020/395 and ASIC Corporations (Extended Reporting and Lodgment Deadlines - Listed Entities) Instrument 2020/451 – both Instruments gave temporary financial reporting relief applied to financial years ending in 2021 and 2022 because of the impacts of COVID. That temporary relief has no ongoing effect.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 14 May 2024     | <a href="#">ASIC-CI-2024/229</a><br><a href="#">ASIC-CI-2020/395</a><br><a href="#">ASIC-CI-2020/451</a> |
| <b>ASIC Corporations (Amendment) Instrument 2024/187</b><br>Extends the application of the following instruments for a further five year period: <ul style="list-style-type: none"> <li>ASIC Corporations (Auditor Independence) Instrument 2021/75, which provides the lead auditor for an audit relief from the requirement to disclose a contravention of paragraph R510.4(c) of APES 110 Code of Ethics for Professional Accountants (including Independence Standards). This instrument is now effective until 30 April 2029</li> <li>ASIC Corporations (Parent Entity Financial Statements) Instrument 2021/195, which allows a parent entity, which is required to include consolidated financial statements in its financial report to also include its single entity financial statements in that report. This instrument is now effective until 1 April 2029.</li> </ul> <p>The Corporations Instrument also extends the relief in these two instruments to apply to registrable superannuation entities in addition to companies, registered managed investment schemes and other disclosing entities.</p> <p>For more information see <a href="#">ASIC news</a> ASIC extends and amends parent entity financial statement and auditor independence instruments.</p> | 22 March 2024   | <a href="#">ASIC-CI-2024/187</a><br><a href="#">ASIC-CI-2021/195</a><br><a href="#">ASIC-CI-2021/75</a>  |



| Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Effective date    | Link to document                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>ASIC Corporations (Amendment) Instrument 2023/142</b></p> <p>Amends the following instruments to permit registrable superannuation entities and corporate collective investment vehicles or CCIVs to take advantage of relief available to other entities reporting under the Corporations Act:</p> <ul style="list-style-type: none"> <li>• <i>ASIC Corporations (Post Balance Date Reporting) Instrument 2015/842</i><br/>Permits the presentation of a statement of financial position (and where applicable a consolidated statement of financial position) in the notes to the financial statements explaining the financial effect of material acquisitions and disposals of entities and businesses after the balance date</li> <li>• <i>ASIC Corporations (Disclosing Entities) Instrument 2016/190</i><br/>Relieves entities from the disclosing entity requirements of Chapter 2M of the Corporations Act where the entity ceases to be a disclosing entity before their deadline and the directors resolve that there are no reasons to believe that the entity may become a disclosing entity before the end of the next financial year. Furthermore, it relieves a disclosing entity from the requirement to prepare and lodge a half-year financial report and directors' report during the first financial year of the entity, where that first financial year lasts for 8 months or less, provided certain conditions are satisfied</li> <li>• <i>ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191</i><br/>Permits rounding off in the directors' report and financial report to the nearest dollar, thousand dollars, hundred thousand dollars or million dollars depending on the total (consolidated) assets of an entity and specific requirement of Australian Accounting Standards.</li> </ul> | 5 January 2024    | <a href="#">ASIC-CI-2023/142</a><br><a href="#">ASIC-CI-2015/842</a><br><a href="#">ASIC-CI-2016/190</a><br><a href="#">ASIC-CI-2016/191</a> |
| <p><b>ASIC Corporations (Non-Reporting Entities) Instrument 2025/436</b></p> <p>Allows non-reporting entities to prepare their financial statements using the concessions and transitional provisions for recognition and measurement in accounting standards which apply to reporting entities.</p> <p>This instrument replaces <i>ASIC Corporations (Non-Reporting Entities) Instrument 2015/841</i> which was due to sunset on 1 October 2025.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 25 September 2025 | <a href="#">ASIC-CI-2025/436</a>                                                                                                             |
| <p><b>ASIC Corporations (Post Balance Date Reporting) Instrument 2025/437</b></p> <p>Allows entities to disclose a balance sheet showing the financial effect of significant acquisitions or disposals after the balance date in the notes to the financial statements.</p> <p>This instrument replaces <i>ASIC Corporations (Post Balance Date Reporting) Instrument 2015/842</i> which was due to sunset on 1 October 2025.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 25 September 2025 | <a href="#">ASIC-CI-2025/437</a>                                                                                                             |
| <p><b>ASIC Corporations (Related Scheme Reports) Instrument 2025/438</b></p> <p>Enables financial statements for related registered schemes to be presented in a single financial report.</p> <p>This instrument replaces <i>ASIC Corporations (Related Scheme Reports) Instrument 2015/839</i> which was due to sunset on 1 October 2025.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 25 September 2025 | <a href="#">ASIC-CI-2025/438</a>                                                                                                             |
| <p><b>ASIC Corporations (Stapled Group Reports) Instrument 2025/439</b></p> <p>Enables financial statements for stapled groups to be presented in a single financial report.</p> <p>This instrument replaces <i>ASIC Corporations (Stapled Group Reports) Instrument 2015/838</i> which was due to sunset on 1 October 2025.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 25 September 2025 | <a href="#">ASIC-CI-2025/439</a>                                                                                                             |

| Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Effective date    | Link to document                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------|
| <b>ASIC Corporations (Externally-Administered Bodies) Instrument 2025/584</b><br>Temporarily relieves entities under external administration from certain financial reporting and annual general meeting (AGM) obligations imposed by the Corporations Act. The instrument also provides more extensive financial reporting relief for entities that are being wound-up.<br><br>This instrument replaces <i>ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251</i> which was due to sunset on 1 October 2025.                                                                                                                                                                                        | 25 September 2025 | <a href="#">ASIC-CI-2025/584</a> |
| <b>ASIC Corporations (Repeal) Instrument 2025/440</b><br>Repeals five financial reporting-related legislative instruments: <ul style="list-style-type: none"> <li>• <i>ASIC Corporations (Stapled Group Reports) Instrument 2015/838</i></li> <li>• <i>ASIC Corporations (Related Scheme Reports) Instrument 2015/839</i></li> <li>• <i>ASIC Corporations (Non-Reporting Entities) Instrument 2015/841</i></li> <li>• <i>ASIC Corporations (Post Balance Date Reporting) Instrument 2015/842</i></li> <li>• <i>ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251</i>.</li> </ul> Each of these instruments were due to sunset on 1 October 2025 and have been replaced with equivalent instruments. | 25 September 2025 | <a href="#">ASIC-CI-2025/440</a> |

## C2.8.2 ASIC regulatory guides

| Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Date of issue    | Link to document       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------|
| <b>ASIC Regulatory Guide 138 Foreign passport funds</b><br>The guide is for foreign passport fund operators seeking to enter, or operating in, Australia under the Asia Region Funds Passport—a multilaterally agreed framework to facilitate the cross-border marketing of managed funds across participating economies in the Asia region.<br><br>The guide explains ASIC's approach as a host regulator to the regulation of foreign passport funds in Australia, including: <ul style="list-style-type: none"> <li>• The entry requirements to become a "notified foreign passport fund"</li> <li>• Ongoing requirements for notified foreign passport funds</li> <li>• The process for removing notified foreign passport funds (denotification).</li> <li>• ASIC's powers and responsibilities in relation to notified foreign passport funds and their operators, including discretionary powers to grant exemptions and modifications to the <i>Corporations (Passport) Rules 2018</i> (Australian Passport Rules).</li> </ul> | 21 November 2024 | <a href="#">RG 138</a> |
| <b>ASIC Regulatory Guide 108 No-action letters</b><br>This guide is for persons (and their professional advisers) who want to ask the Australian Securities and Investments Commission (ASIC) for a no-action letter (including a class no-action position).<br><br>It explains how to make an application for a no-action letter (including a class no-action position) and sets out the factors ASIC considers when dealing with such applications.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 13 February 2025 | <a href="#">RG 108</a> |

| Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Date of issue     | Link to document       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------|
| <p><b>ASIC Regulatory Guide 51 Applications for relief</b></p> <p>This guide is for applicants and advisers who are making an application for relief under relevant provisions of legislation ASIC administers. It sets out ASIC's general approach to granting relief, the requirements and process for making relief applications, and how ASIC charges fees for such applications.</p> <p>The examples used in this guide refer to powers commonly exercised by ASIC; however, the principles apply to ASIC's discretionary powers generally.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 13 February 2025  | <a href="#">RG 51</a>  |
| <p><b>ASIC Regulatory Guide 280 Sustainability reporting</b></p> <p>This guide is for entities required to prepare a sustainability report under the Corporations Act. It includes guidance on numerous matters, including:</p> <ul style="list-style-type: none"> <li>• Which entities must prepare a sustainability report under the Corporations Act, including guidance on how assets, revenues and employees are determined for the purpose of threshold tests</li> <li>• The required content of the sustainability report, including new guidance on statutory requirements for climate-related scenario analyses and scope 3 emissions</li> <li>• Sustainability-related financial information disclosed outside the sustainability report, including operating and financial reviews, prospectuses and product disclosure statements</li> <li>• ASIC's administration of the sustainability reporting requirements, including ASIC's approach to sustainability reporting and audit relief.</li> </ul> <p>For more information, see section B2.3 and section E.</p>                                                                                                                                                                                                                                                                                     | 31 March 2025     | <a href="#">RG 280</a> |
| <p><b>ASIC Regulatory Guide 34 Auditor obligations: Reporting to ASIC (updated)</b></p> <p>It gives guidance on auditors' obligations to report to ASIC:</p> <ul style="list-style-type: none"> <li>• Contraventions and suspected contraventions under s.311, 601HG, 990K and 1226H of the Corporations Act and s.104 of the <i>National Consumer Credit Protection Act 2009</i> (National Credit Act)</li> <li>• Attempts to unduly influence, interfere, or mislead the auditor under s.311, 601HG, 990K and 1226H of the Corporations Act and s.104 of the National Credit Act</li> <li>• Conflict of interest situations and circumstances involving relevant relationships as part of an auditor's independence obligations under s.324CA–CC and s.324CE–CG of the Corporations Act</li> <li>• The auditor's own contraventions and suspected contraventions under s.311, 601HG and 1226H of the Corporations Act.</li> </ul> <p>This guide also provides guidance about lodging auditor notifications under these reporting obligations, how qualified privilege operates, and what happens when auditors do not meet their reporting obligations.</p> <p>The reissued regulatory guide consolidates and simplifies guidance on auditor breach notification and contravention reporting obligations to ASIC as well as reflecting changes to the law.</p> | 18 September 2025 | <a href="#">RG 34</a>  |

### C2.8.3 Other ASIC information

| Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Effective date    | Link to document                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------|
| <p><b>ASIC Information Sheet 284 <i>Public companies must include a consolidated entity disclosure statement in their annual financial report</i></b></p> <p>Provides guidance for preparers of financial reports to ensure that consolidated entity disclosure statements (CEDS) comply with the requirements of the Corporations Act and are consistent with the policy intent of the legislation.</p> <p>The information sheet provides guidance on current developments and outlines what public company need to be aware of when preparing their consolidated entity disclosure statement. It covers the following topics:</p> <ul style="list-style-type: none"> <li>Reporting requirements under the Corporations Act, noting the CEDS is a separate statement and does not form part of the notes to the financial statements</li> <li>Tax residence, including <a href="#">Treasury's media release</a> confirming that if entities may determine tax residency in good faith and in accordance with the Commissioner of Taxation's <a href="#">public guidance</a>, may declare that the tax residency status of a subsidiary is true and correct for the purposes of the CEDS</li> <li>Notes that the requirement for the statement to be "true and correct" is a higher reporting requirement than under a "true and fair view" or "fair presentation framework" for directors and executives</li> <li>Stating that the CEDS is not part of a true and fair or fair presentation framework and as such, the materiality provision in Australian Accounting Standards do not apply to the CEDS. This means all controlled entities must be listed</li> <li>Guidance on audit and assurance of the CEDS.</li> </ul> | N/A               | <a href="#">INFO 284</a>            |
| <p><b>ASIC Regulatory Resource <i>Sustainability reporting</i></b></p> <p>Online regulatory resource from ASIC containing information about the sustainability reporting requirements of the Corporations Act.</p> <p>The regulatory resource summarises the sustainability reporting requirements on sustainability reporting, but it does not cover all aspects of the sustainability reporting regime.</p> <p>The resource provides the following information for preparers of sustainability reports:</p> <ul style="list-style-type: none"> <li>Who must prepare a sustainability report?</li> <li>What should your sustainability report contain?</li> <li>How and when to lodge your sustainability report?</li> <li>Relief from sustainability reporting requirements</li> <li>Modified liability settings.</li> </ul> <p>In addition, the resource covers the following topics:</p> <ul style="list-style-type: none"> <li>ASIC's administration of the sustainability reporting regime</li> <li>Audit and assurance of sustainability reports</li> <li>Further regulatory resources and news</li> <li>Historical development of climate-related financial disclosures.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | N/A <sup>34</sup> | <a href="#">Regulatory resource</a> |

<sup>34</sup> As a regulatory resource, the guidance provided by ASIC is not authoritative.

| Document                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Effective date | Link to document        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------|
| <p><b>ASIC REP 799 ASIC's oversight of financial reporting and audit 2023–24</b></p> <p>REP 799 summarises findings from ASIC's financial reporting and audit surveillances and other complementary work for the period 1 July 2023 to 30 June 2024. It highlights areas where the quality of financial reporting and audits can be improved.</p> <p>See section A4.2.3 for more information on ASIC findings.</p>                                             | N/A            | <a href="#">REP 799</a> |
| <p><b>ASIC REP 809 Response to submissions on CP 380 Sustainability reporting</b></p> <p>REP 809 was released simultaneously with <a href="#">ASIC Regulatory Guide 280 Sustainability Reporting</a> (RG 280) and <a href="#">ASIC CI 2025/164</a>. It provides detail about ASIC's responses to the submissions received on <a href="#">Consultation Paper 380 Sustainability reporting</a>, including the rationale for the guidance included in RG 280.</p> | N/A            | <a href="#">REP 809</a> |
| <p><b>ASIC REP 812 ASIC enforcement and regulatory update: January to June 2025</b></p> <p>REP 812 provides an overview of ASIC's work and key matters between 1 January and 30 June 2025, including enforcement actions during the first half of 2025 and enforcement priorities for 2025.</p>                                                                                                                                                                | N/A            | <a href="#">REP 812</a> |
| <p><b>ASIC REP 813 Regulatory simplification</b></p> <p>This report explores ideas to simplify regulation and ease regulatory burden. ASIC is seeking views on how ASIC can make the information they provide simpler and more accessible and how they can make it easier to interact with them.</p> <p>For more information, see <i>ASIC regulatory simplification</i> on page C-10.</p>                                                                      | N/A            | <a href="#">REP 813</a> |

## C2.9 ASX

| Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Effective date | Link to document                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------|
| <p><b>Guidance Note 8 <i>Continuous Disclosure: Listing Rules 3.1-3.1B</i> (updated)</b></p> <p>Assists listed entities in understanding and complying with the continuous disclosure obligations under the ASX Listing Rules (and by extension the Corporations Act).</p> <p>A new example (Example I) was included in respect of cyber incidents, which works through a hypothetical data breach and illustrates when disclosure to the market would be required. The thought process in the example may also inform whether, and if so when, any contingent liability or provision would arise under Australian Accounting Standards.</p>                                                                                                                                                                                                                      | N/A            | <a href="#">Guidance Note 8</a>  |
| <p><b>Guidance Note 17 <i>Waivers and In-principle Advice</i> (updated)</b></p> <p>This Guidance Note assists listed entities and entities applying for admission to the official list of the ASX to understand how the ASX deals with applications for waivers of, and request for in-principle advice in relation to the ASX Listing Rules.</p> <p>Updates in this version include a requirement for entities to disclose (ordinarily within one business day of receiving confirmation from the ASX that a waiver has been granted) the nature and effect of any waiver that has been granted to them and the reasons for seeking the waiver.</p> <p>Entities receiving a waiver in relation to confidential or incomplete proposals or negotiations will not be required to disclose the waiver until the matter ceases to be confidential or incomplete.</p> | N/A            | <a href="#">Guidance Note 17</a> |

# D. Reporting deadlines

This section summarises the key reporting deadlines for various types of entities for the 31 December 2025 reporting period.

Roadmap to this section

| Section                                          | What is included                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| D1 Entities reporting under the Corporations Act | <p>Reporting deadlines under the Corporations Act and ASX Listing Rules (where relevant) for the following types of entities:</p> <ul style="list-style-type: none"><li>• Listed entities (other than registered schemes) (ASX)</li><li>• Listed registered schemes</li><li>• ASX AQUA market issuers</li><li>• Unlisted public companies</li><li>• Proprietary companies</li><li>• Unlisted registered schemes</li><li>• Notified foreign passport funds</li><li>• Sub funds of retail CCIVs.</li></ul> |
| D2 Entities reporting to the ACNC                | <p>Reporting deadlines for annual reports under the ACNC for the following types of entities:</p> <ul style="list-style-type: none"><li>• Large and medium charities</li><li>• Small charities.</li></ul>                                                                                                                                                                                                                                                                                                |
| D3 Additional deadlines                          | <p>Deadlines that applying to the following entities in addition to the other deadlines set out in this section:</p> <ul style="list-style-type: none"><li>• Holding entities under <i>ASIC Corporations (Wholly-owned Companies) Instrument 2016/785</i></li><li>• AFS licensees.</li></ul>                                                                                                                                                                                                             |



# D1 Entities reporting under the Corporations Act

The following tables summarise the reporting deadlines under the Corporations Act and ASX Listing Rules (where relevant).

## D1.1 Listed entities (other than registered schemes) (ASX)

| Source                                                            | Requirement                                                                                                                                                                                                                      | Deadline                                                                                                                                           | Date applicable for 31 December 2025 reporting periods |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| <b>Annual financial and sustainability reporting<sup>35</sup></b> |                                                                                                                                                                                                                                  |                                                                                                                                                    |                                                        |
| ASX 4.3A, ASX 4.3B                                                | Lodgement of Appendix 4E with the ASX <sup>36</sup>                                                                                                                                                                              | As soon as available and no later than 2 months after the end of the financial year                                                                | 27 February 2026 <sup>37</sup>                         |
| ASX 4.5, ASX 4.5.1                                                | Lodgement of the financial report (and any concise report <sup>38</sup> ), sustainability report, directors' report and auditor's reports with the ASX at the same time as lodged with ASIC <sup>39</sup> under s.319 or s.601CK | As soon as available and no later than 3 months after the end of the financial year                                                                | 31 March 2026                                          |
| ASX 4.7.1, ASX 4.7.2                                              | Lodgement of the Corporations Act annual report and any concise report with the ASX as provided to security holders under s.314                                                                                                  | First day sent to the members and the earlier of 21 days before the next AGM or 4 months after the end of the financial year (s.315) <sup>40</sup> | Earlier of 21 days before AGM or 30 April 2026         |
| ASX 4.7.3, ASX 4.7.4                                              | Lodgement of the Appendix 4G with the ASX (and corporate governance statement) (to the extent not included in the annual report)                                                                                                 | Same time the annual report is distributed to the members                                                                                          | Earlier of 21 days before AGM or 30 April 2026         |
| s.314 s.315                                                       | Sending of financial report, sustainability report, directors' report and auditor's reports to members – listed public companies                                                                                                 | Earlier of 21 days before the next AGM or 4 months after the end of the financial year                                                             | Earlier of 21 days before AGM or 30 April 2026         |
| s.319                                                             | Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC                                                                                             | Not required (ASIC-CI 2016/181) <sup>41</sup>                                                                                                      | N/A                                                    |

<sup>35</sup> Only 'Group 1' entities are required to prepare and lodge sustainability reports at 31 December 2025. For more information, see section B2.1.3.

<sup>36</sup> Mining exploration entities or oil and gas exploration entities are not required to provide the information set out in the Appendix 4E.

<sup>37</sup> Where a deadline arises under the ASX Listing Rules and that deadline falls on a Saturday, Sunday or public holiday, ASX Listing Rule 19.5 requires the deadline to be met by the preceding business day. As 28 February 2026 is a Saturday, the deadline must be met on the previous business day, being 27 February 2026.

<sup>38</sup> A concise report consists of a concise financial report (drawn up in accordance with AASB 1039 *Concise Financial Reports*) together with a statement by the auditor and details of any auditor's qualification, the sustainability report (and the auditor's report on it), the directors' report and a statement that the report is a concise report and that a full financial report and auditor's report will be sent to the member free of charge if the member asks for them (s.314(2)).

<sup>39</sup> As a result of ASIC-CI 2016/181, an entity need not give ASIC the annual report if it comprises only the documents already given to the ASX under ASX Listing Rule 4.5. The instrument requires the entity to keep a signed copy of the reports for a period of at least seven years.

<sup>40</sup> If the entity is not established in Australia but required by the law of the place of its establishment to prepare an annual report and provide it to members, this must be given to the ASX at the same time as distributed to the members (ASX 4.7.2).

<sup>41</sup> If the entity is not established in Australia, the annual report must be given to the ASX by the earlier of (a) the first day the entity sends the documents to security holders under the law of the place of its establishment or (b) the last day for the documents to be given to security holders under that law (see ASX Listing Rule 4.7.2).

| Source                         | Requirement  | Deadline                                                                  | Date applicable for 31 December 2025 reporting periods |
|--------------------------------|--------------|---------------------------------------------------------------------------|--------------------------------------------------------|
| <b>Annual general meetings</b> |              |                                                                           |                                                        |
| s.250N                         | Hold the AGM | Within 5 months after the end of the financial year (if a public company) | 1 June 2026 <sup>42</sup>                              |

## D1.2 Listed registered schemes

| Source                                                            | Requirement                                                                                                                                                                                                       | Deadline                                                                                                    | Date applicable for 31 December 2025 reporting periods |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| <b>Annual financial and sustainability reporting<sup>43</sup></b> |                                                                                                                                                                                                                   |                                                                                                             |                                                        |
| ASX 4.3A, ASX 4.3B                                                | Lodgement of Appendix 4E with the ASX <sup>44</sup>                                                                                                                                                               | As soon as available and no later than 2 months after the end of the financial year                         | 27 February 2026 <sup>45</sup>                         |
| ASX 4.5, ASX 4.5.1                                                | Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with the ASX at the same time as lodged with ASIC <sup>46</sup> under s.319 or s.601CK | As soon as available and no later than 3 months after the end of the financial year                         | 31 March 2026                                          |
| ASX 4.7.1, ASX 4.7.2                                              | Lodgement of the Corporations Act annual report and concise report with the ASX as provided to security holders under s.314                                                                                       | First day sent to the members and within 4 months after the end of the financial year (s.315) <sup>47</sup> | 30 April 2026                                          |
| ASX 4.7.3, ASX 4.7.4                                              | Lodgement of the Appendix 4G with the ASX (and corporate governance statement) (to the extent not included in the annual report)                                                                                  | Same time the annual report is distributed to the members                                                   | 30 April 2026                                          |
| s.314, s.315                                                      | Sending of financial report, sustainability report, directors' report and auditor's reports to members                                                                                                            | Within 3 months after the end of the financial year                                                         | 31 March 2026                                          |
| s.319                                                             | Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC                                                                              | Within 3 months after the end of the financial year                                                         | 31 March 2026                                          |

<sup>42</sup> Where a deadline under the Corporations Act falls on a Saturday, Sunday or public holiday, section 36(2) of the *Acts Interpretations Act 1901* permits the deadline to be met on the next day that is not a Saturday, Sunday, or public holiday. 31 May 2026 (which is five months after the 31 December 2025 reporting period) is a Sunday. Accordingly, the deadline will be met on the next day that is not a Saturday, Sunday, or public holiday, i.e. 1 June 2026.

<sup>43</sup> Registered schemes cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b)), see section B2.1.3) and so the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2025.

<sup>44</sup> Mining exploration entities or oil and gas exploration entities are not required to provide the information set out in the Appendix 4E.

<sup>45</sup> Where a deadline arises under the ASX Listing Rules and that deadline falls on a Saturday, Sunday or public holiday, ASX Listing Rule 19.5 requires the deadline to be met by the preceding business day. As 28 February 2026 is a Saturday, the deadline must be met on the previous business day, being 27 February 2026.

<sup>46</sup> As a result of ASIC-CI 2016/181, an entity need not give ASIC the annual report if it comprises only the documents already given to the ASX under ASX Listing Rule 4.5. The instrument requires the entity to keep a signed copy of the reports for a period of at least seven years.

<sup>47</sup> If the entity is not established in Australia but required by the law of the place of its establishment to prepare an annual report and provide it to members, this must be given to the ASX at the same time as distributed to the members (ASX 4.7.2).

## D1.3 ASX AQUA market issuers

| Source                                                                            | Requirement                                                                                                                                           | Deadline                                            | Date applicable for 31 December 2025 reporting periods |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------|
| <b>Annual financial and sustainability reporting<sup>48</sup></b>                 |                                                                                                                                                       |                                                     |                                                        |
| s.314<br>s.315                                                                    | Sending of financial report, sustainability report, directors' report and auditor's reports to members                                                | Within 3 months after the end of the financial year | 31 March 2026                                          |
| s.319                                                                             | Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC                  | Within 3 months after the end of the financial year | 31 March 2026                                          |
| ASX Operating Rules Schedule 10A.4.1(k)<br>ASX Operating Rules Procedures 10A.4.1 | Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with the ASX <sup>49</sup> | Within 3 months after the end of the financial year | 31 March 2026                                          |



**ASX Limited publishes annual market announcements reporting calendars on its website for listed entities. At the time of finalisation of this document (24 September 2025), the 2026 reporting calendar had not been published by the ASX. The calendar for the 2026 year is expected to be made available on the [ASX website](#) in due course.**

<sup>48</sup> AQUA market issuers that are a registered scheme or a retail CCIV cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3) and so the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2025.

<sup>49</sup> The ASX Operating Rule Schedule 10A.4.1(k) refers to the lodgement of "periodic *financial* reports (including financial reports, directors' reports and auditors reports) that the AQUA Product Issuer is required to lodge with ASIC under the Corporations Act" (emphasis added). However, ASX Operating Rule Schedule 10A.4.1(j) refers to the lodgement of "any other information that the AQUA Product Issuer is required to disclose or make available to investors generally, or prospective investors, in the ETF Security under the Corporations Act or otherwise (including... periodic financial *and other* reports prepared for disclosure to investors in accordance with statutory requirements...)" (emphasis added). This latter requirement is broader and would encompass the sustainability report as it is an "other report prepared for disclosure to investors in accordance with [a] statutory requirement".

## D1.4 Unlisted disclosing entities

| Source                                                            | Requirement                                                                                                                          | Deadline                                                                               | Date applicable for 31 December 2025 reporting periods |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------|
| <b>Annual financial and sustainability reporting<sup>50</sup></b> |                                                                                                                                      |                                                                                        |                                                        |
| s.314<br>s.315                                                    | Sending of financial report, sustainability report, directors' report and auditor's reports to members                               | Earlier of 21 days before the next AGM or 4 months after the end of the financial year | Earlier of 21 days before AGM or 30 April 2026         |
| s.319                                                             | Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC | Within 3 months after the end of the financial year                                    | 31 March 2026                                          |
| <b>Annual general meetings</b>                                    |                                                                                                                                      |                                                                                        |                                                        |
| s.250N                                                            | Hold the AGM                                                                                                                         | Within 5 months after the end of the financial year <sup>51</sup>                      | 1 June 2026 <sup>52</sup>                              |

## D1.5 Unlisted public companies

| Source                                                            | Requirement                                                                                                                          | Deadline                                                                               | Date applicable for 31 December 2025 reporting periods |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------|
| <b>Annual financial and sustainability reporting<sup>53</sup></b> |                                                                                                                                      |                                                                                        |                                                        |
| s.314<br>s.315                                                    | Sending of financial report, sustainability report, directors' report and auditor's reports to members                               | Earlier of 21 days before the next AGM or 4 months after the end of the financial year | Earlier of 21 days before AGM or 30 April 2026         |
| s.319                                                             | Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC | Within 4 months after the end of the financial year                                    | 30 April 2026                                          |
| <b>Annual general meetings</b>                                    |                                                                                                                                      |                                                                                        |                                                        |
| s.250N                                                            | Hold the AGM                                                                                                                         | Within 5 months after the end of the financial year <sup>54</sup>                      | 1 June 2026 <sup>52</sup>                              |

<sup>50</sup> Unlisted disclosing entities that are a registered scheme or a retail CCIV cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3). Therefore, the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2025.

<sup>51</sup> Applies to disclosing entities which are public companies and public companies unless exempt.

<sup>52</sup> Where a deadline under the Corporations Act falls on a Saturday, Sunday or public holiday, section 36(2) of the *Acts Interpretations Act 1901* permits the deadline to be met on the next day that is not a Saturday, Sunday, or public holiday. 31 May 2026 (which is five months after the 31 December 2025 reporting period) is a Sunday. Accordingly, the deadline will be met on the next day that is not a Saturday, Sunday, or public holiday, i.e. 1 June 2026.

<sup>53</sup> Only 'Group 1' entities are required to prepare and lodge sustainability reports at 31 December 2025. For more information, see section B2.1.3.

<sup>54</sup> Applies to disclosing entities which are public companies and public companies unless exempt.

## D1.6 Proprietary companies

| Source                                                            | Requirement                                                                                                                          | Deadline                                            | Date applicable for 31 December 2025 reporting periods |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------|
| <b>Annual financial and sustainability reporting<sup>55</sup></b> |                                                                                                                                      |                                                     |                                                        |
| s.314<br>s.315                                                    | Sending of financial report, sustainability report, directors' report and auditor's reports to members                               | Within 4 months after the end of the financial year | 30 April 2026                                          |
| s.319                                                             | Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC | Within 4 months after the end of the financial year | 30 April 2026                                          |

## D1.7 Unlisted registered schemes

| Source                                                            | Requirement                                                                                                                          | Deadline                                            | Date applicable for 31 December 2025 reporting periods |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------|
| <b>Annual financial and sustainability reporting<sup>56</sup></b> |                                                                                                                                      |                                                     |                                                        |
| s.314<br>s.315                                                    | Sending of financial report, sustainability report, directors' report and auditor's reports to members                               | Within 3 months after the end of the financial year | 31 March 2026                                          |
| s.319                                                             | Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC | Within 3 months after the end of the financial year | 31 March 2026                                          |

## D1.8 Notified foreign passport funds

| Source                                         | Requirement                                                                                                                                                                                                                                     | Deadline                                            | Date applicable for 31 December 2025 reporting periods |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------|
| <b>Annual financial reporting<sup>57</sup></b> |                                                                                                                                                                                                                                                 |                                                     |                                                        |
| s.314A<br>s.315                                | Sending of a copy of the report of the fund prepared in accordance with the financial reporting requirements applying to the fund under the Passport Rules for the home economy for the fund and related auditor's report to Australian members | Within 3 months after the end of the financial year | 31 March 2026                                          |
| s.319(1AA)                                     | Lodgement of a copy of the report of the fund prepared in accordance with the financial reporting requirements applying to the fund under the Passport Rules for the home economy for the fund and related auditor's report with ASIC           | Within 3 months after the end of the financial year | 31 March 2026                                          |

<sup>55</sup> Only 'Group 1' entities are required to prepare and lodge sustainability reports at 31 December 2025. For more information, see section B2.1.3.

<sup>56</sup> Registered schemes cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3). Therefore, the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2025.

<sup>57</sup> Notified foreign passport funds are not required to prepare sustainability reports under the Corporations Act.

## D1.9 Sub funds of retail CCIVs

| Source                                                            | Requirement                                                                                                                          | Deadline                                                          | Date applicable for 31 December 2025 reporting periods |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------|
| <b>Annual financial and sustainability reporting<sup>58</sup></b> |                                                                                                                                      |                                                                   |                                                        |
| s.314<br>s.315<br>s.1232H                                         | Sending of financial report, sustainability report, directors' report and auditor's reports to members                               | Within 3 months after the end of the financial year <sup>59</sup> | 31 March 2026                                          |
| s.319                                                             | Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC | Within 3 months after the end of the financial year               | 31 March 2026                                          |

<sup>58</sup> Retail CCIVs cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3) and so the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2025.

<sup>59</sup> Retail CCIVs are required to report to members in accordance with the requirements of s.314 (s.1232H). The deadline for reporting is aligned with the requirements applying to registered schemes (s.1232J). Accordingly, the timeline for lodgement is within three months of the end of the financial year (s.315(3)).

## D2 Entities reporting to the ACNC

The following table summarises the reporting deadlines for annual reports under the ACNC.

### D2.1 Large and medium charities

The following table summarises the reporting deadlines for annual reports under the ACNC for large and medium charities<sup>60</sup>

| Source                                                              | Requirement                                                   | Deadline                                                                                                                                   | Date for 31 December 2025 financial reports/AIS |
|---------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| <b>Annual financial reporting</b>                                   |                                                               |                                                                                                                                            |                                                 |
| ACNC Governance Standard 2: Accountability to members <sup>61</sup> | Sending of financial report to members                        | Annual financial reports must be maintained and provided to members explaining the charity's financial position                            | n/a                                             |
| ACNC Act 2012 s.60-10                                               | Lodgement of the financial report with the ACNC <sup>62</sup> | Annual financial reports must be submitted as part of the Annual Information Statements within 6 months from reporting period end          | 30 June 2026                                    |
| <b>Annual general meetings</b>                                      |                                                               |                                                                                                                                            |                                                 |
| ACNC Governance Standard 2: Accountability to members <sup>63</sup> | Hold the Annual General Meeting (AGM) <sup>64,65</sup>        | Organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions | n/a                                             |

<sup>60</sup> Large charities have annual revenue of \$3 million or more (ACNC Act, s.205-25, ACNC Regulations s.205.1(2)). Medium charities have annual revenue greater than \$500,000 and less than \$3 million (ACNC Act s.205-25, ACNC Regulations s.205.1). Financial reports of large charities must be audited (ACNC Act s.60-25), whereas financial reports of medium charities must be either reviewed or audited (ACNC Act s.60-20).

<sup>61</sup> If a charity meets the definition of a 'basic religious charity' under s.205-35 of the ACNC Act, it does not have to answer financial information questions in its Annual Information Statement, submit annual financial reports (regardless of its size), or comply with the ACNC Governance Standards. However, basic religious charities must still meet all other ongoing obligations, including submitting their Annual Information Statement each year.

<sup>62</sup> A company limited by guarantee that is a registered charity only needs to submit an Annual Information Statement to the ACNC (with a financial report, if it is medium or large). It does not have to report to ASIC as the financial reporting requirements in Chapter 2M of the Corporations Act do not apply registered charities that are bodies corporate (s.111L).

<sup>63</sup> ACNC Governance Standard 2 only applies to charities with members. For example, incorporated associations, companies and unincorporated associations. Other structures, such as trusts, do not have members.

<sup>64</sup> A company limited by guarantee that is a registered charity does not have to comply with the requirement to hold general meetings of members or annual general meetings under the Corporations Act. Instead, it must comply with the requirements of ACNC Governance Standard 2.

<sup>65</sup> Whilst the ACNC does not include specific requirements for holding AGMs, a common example to meet ACNC Governance Standard 2 is to organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions.



## D2.2 Small charities

The following table summarises the reporting deadlines for annual reports under the ACNC for small charities<sup>66</sup>.

| Source                                                              | Requirement                                                                             | Deadline                                                                                                                                                                                                         | Date for 31 December 2025 financial reports/AIS      |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| <b>Annual financial reporting</b>                                   |                                                                                         |                                                                                                                                                                                                                  |                                                      |
| ACNC Governance Standard 2: Accountability to members <sup>67</sup> | Sending of financial report to members                                                  | Whilst annual financial reports are optional, members should be able to ask for some financial information                                                                                                       | n/a<br>(Optional)                                    |
| ACNC Act 2012 s.60-10                                               | Lodgement of the annual information statements (AIS) and financial report with the ACNC | Submission of annual financial reports are optional unless required by its own governing document. Annual information statements (AIS) however must still be submitted within 6 months from reporting period end | 30 June 2026<br>(Annual financial report - optional) |
| <b>Annual general meetings</b>                                      |                                                                                         |                                                                                                                                                                                                                  |                                                      |
| ACNC Governance Standard 2: Accountability to members <sup>68</sup> | Hold the Annual General Meeting (AGM) <sup>69,70</sup>                                  | Organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions                                                                       | n/a                                                  |

<sup>66</sup> Small charities have annual revenue less than \$500,000 (ACNC Act s.205-25, ACNC Regulations s.205.1(1)).

<sup>67</sup> If a charity meets the definition of a 'basic religious charity' under s.205-35 of the ACNC Act, it does not have to answer financial information questions in its Annual Information Statement, submit annual financial reports (regardless of its size), or comply with the ACNC Governance Standards. However, basic religious charities must still meet all other ongoing obligations, including submitting their Annual Information Statement each year.

<sup>68</sup> ACNC Governance Standard 2 only applies to charities with members. For example, incorporated associations, companies and unincorporated associations. Other structures, such as trusts, do not have members.

<sup>69</sup> A company limited by guarantee that is a registered charity does not have to comply with the requirement to hold general meetings of members or annual general meetings under the Corporations Act. Instead, it must comply with the requirements of ACNC Governance Standard 2.

<sup>70</sup> Whilst the ACNC does not include specific requirements for holding AGMs, a common example to meet ACNC Governance Standard 2 is to organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions.

# D3 Additional deadlines

## D3.1 Overview

This section sets out deadlines that apply to certain entities in addition to the deadlines outlined earlier in this section.

## D3.2 Holding entities under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*

| Source                       | Requirement                                                                                                                                | Deadline                                            | Date applicable for 31 December 2025 reporting periods |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------|
| ASIC-CI 2016/765 Clause 6(s) | Preparation of consolidated financial statements under <i>ASIC Corporations (Wholly-owned Companies) Instrument 2016/785</i> <sup>71</sup> | Within 4 months after the end of the financial year | 30 April 2026                                          |

## D3.3 AFS licensees

The following table summarises other reporting deadlines for AFS licensees arising under the Corporations Act:

| Source                | Obligation                                                                 | Deadline | Date for 31 December 2025 reporting periods |
|-----------------------|----------------------------------------------------------------------------|----------|---------------------------------------------|
| s.989D ASIC Form FS70 | Lodgement of profit and loss statement and balance sheet by AFS licensees: |          |                                             |
|                       | • Bodies corporate (disclosing entities)                                   | 3 months | 31 March 2026                               |
|                       | • Other unlisted bodies corporate                                          | 4 months | 30 April 2026                               |
|                       | • Not bodies corporate                                                     | 2 months | 2 March 2026 <sup>72</sup>                  |

<sup>71</sup> Applicable to large proprietary companies and small proprietary companies to which s.292(2)(b) applies (i.e. a foreign controlled small proprietary company).

<sup>72</sup> Where a deadline under the Corporations Act falls on a Saturday, Sunday or public holiday, section 36(2) of the *Acts Interpretations Act 1901* permits the deadline to be met on the next day that is not a Saturday, Sunday, or public holiday. 28 February 2026 (which is two months after the 31 December 2025 reporting period) is a Saturday. Accordingly, the deadline will be met on the next day that is not a Saturday, Sunday, or public holiday, i.e. 2 March 2026.

# E. Sustainability report



This section contains the list of requirements and related guidance in respect of the mandatory disclosures to be made as part of a sustainability report prepared in accordance with the Corporations Act and AASB S2 *Climate-related Disclosures*.

## Contents

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# About the sustainability report

This section can be used as a guide in preparation of a sustainability report in accordance with the Corporations Act and AASB S2.



## Important information about this section

Whilst consistent with mandatory reporting requirements, each sustainability report is necessarily unique and specific to the entity's facts and circumstances. Accordingly, this section **does not contain illustrative disclosures** for a sustainability report. Instead, this section sets out the requirements of the Corporations Act and AASB S2 *Climate-related Disclosures* insofar as they apply to a sustainability report prepared under the Corporations Act.

In addition to the core requirements, this section includes explanatory material from ASIC, AASB and the IFRS Foundation (which includes the ISSB) that readers may find helpful when developing their sustainability report disclosures.

To assist readers to distinguish presentation and disclosure requirements from conceptual requirements and guidance, green shading has been applied to conceptual requirements, guidance and explanatory materials.

In addition, source references shown in green mimic the way the AASB cites paragraphs in the online version of [AASB S2](#). In particular, references to Appendix D of AASB S2 (containing necessary information from AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information*) have been cited in the format "AASB S2:[D]xx" where "[D]" refers to Appendix D. However, references to Appendix D in Appendix D are cited in the format "AASB S2:Dxx".

## Assurance requirements

In this section, information that is subject to mandatory assurance in an entity's first year of reporting is marked with a grey bar in the left-hand margin. For more information, see section B2.1.5 and the *Assurance report* discussion on page E-66.



# Sustainability reporting requirements

## Source

This section sets out the overall requirements for sustainability reports under the Corporations Act and AASB S2 *Climate-related Disclosures*. Information that is not shaded shows requirements and shaded information provides guidance, regulatory perspectives and other information.

## Contents of annual sustainability reports

### Sustainability report

s.296A(1)

The sustainability report for a financial year consists of:

- The climate statements for the year
- Any notes to the climate statements
- Any statements and notes to the statements required by legislative instruments (under s.296A(5))
- The directors' declaration about the statements and notes.

s.296A(2)

The climate statements for the year are the climate statements in relation to the entity required by the sustainability standards (ASRS).

ASIC-RG 280.34

The sustainability reporting requirements crystallise at the end of the financial year. Entities should establish adequate systems to assess whether they may be required to prepare a sustainability report, even if they do not meet the sustainability reporting thresholds at the commencement of that financial year. For example, an acquisition may complete, a corporate restructure may occur, or market or economic conditions may shift, resulting in a change to the entity's reporting status.

### Notes to the sustainability report

s.296A(3)

A sustainability report must include the following notes to the climate statements:

- Any specified disclosures required by legislative instrument regarding the preparation of the climate statements or anything included in the climate statements (under s.296A(4))
- Any notes required by sustainability standards (ASRS) in relation to the preparation of the climate statements, anything included in the climate statements or other matters concerning environmental sustainability
- Notes containing any other information necessary to ensure that the climate statements and notes made the disclosures required by s.296D (i.e. the specific requirements of the Corporations Act).

ASIC-RG 280.97

ASIC does not expect that reporting entities will need to include notes to climate statements in a sustainability report. This is because:

- The Minister has not made, by legislative instrument, any requirements to include notes to sustainability reports relating to financial matters concerning environmental sustainability
- AASB S2 does not currently require any notes in relation to the preparation and content of the climate statements or other matters concerning environmental sustainability
- Climate statements that are prepared in accordance with AASB S2 will generally be sufficient to meet the requirements under s.296D.

## Source

### Contents of annual sustainability reports (continued)

#### Climate statement disclosures

s.296D(1)

The climate statements, together with the notes to the climate statements, disclose:

- Any material financial risks and material financial opportunities relating to climate
- Any metrics or targets of the entity relating to climate, including metrics and targets relating to:
  - Scope 1 greenhouse gas emissions
  - Scope 2 greenhouse gas emissions
  - Scope 3 greenhouse gas emissions (including financed emissions)
- Any information about governance of, strategy of, or risk-management by, the entity in relation to those risks, opportunities, metrics and targets.

The information disclosed is that required by the sustainability standards.

s.296D(2)

The question of whether there are material financial risks or opportunities relating to climate is to be worked out in accordance with the sustainability standards.

#### No climate-related financial risks or opportunities for Group 3 entities

s.296B(1)

If, for a “Group 3” entity<sup>73</sup> that is not a registered under the *National Greenhouse and Energy Reporting Act 2007* and is not a registered scheme, registrable superannuation entity or retail CCIV with \$5 billion or more in assets, in relation to a financial year, there are no material financial risks or opportunities related to climate, the climate statements for the year are:

- A statement that there are no material financial risks or financial opportunities relating to climate
- A statement explaining how the entity determined that it has no material financial risks or financial opportunities related to climate for the financial year.

s.296B(6)

The question of whether there are any material financial risks or material financial opportunities for an entity is worked out in accordance with sustainability standards.

ASIC-RG 280.75

Reporting entities are to determine whether there are any “material financial risks or opportunities relating to climate” for a financial year in accordance with AASB S2: see s.296B(6). Under AASB S2, an entity must disclose material information about the climate-related risks or opportunities that could reasonably be expected to affect the entity's prospects. The information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports (AASB S2:17-19, B13-B19, [D]:B21-B37).

ASIC-RG 280.76

Where an entity lodges a climate statement for a financial year stating there are no material financial risks or opportunities relating to climate, it must:

- Assess whether there are material financial risks or opportunities relating to climate under AASB S2
- Maintain adequate sustainability records to substantiate the assessment that the entity has no material financial risks or opportunities relating to climate for the financial year.

ASIC-RG 280.77

Reporting entities lodging a climate statement in these circumstances should establish robust processes to ensure they meet their sustainability reporting obligations for a full climate statement for any subsequent financial year that they determine there are material financial risks and opportunities relating to climate.

<sup>73</sup> See section B2.1.3 for more information about the criteria for an entity to be classified as a ‘Group 3’ entity.

## Source

AASB S2:1

AASB S2:2

AASB S2:3  
AASB S2:A[3]  
AASB S2:A[6]

AASB S2:[D]10  
AASB S2:D16  
AASB S2:D3

## General requirements for disclosure of climate-related financial information

### Objective

The objective of AASB S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

AASB S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. For the purposes of AASB S2, these risks and opportunities are collectively referred to as "climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects".

### Scope

AASB 2 applies to:

- **Climate-related risks** to which the entity is exposed, which are:
  - **Climate-related physical risks**, which are risks resulting from climate change that can be event-driven (acute physical risk) or from longer-term shifts in climatic patterns (chronic physical risk). Acute physical risks arise from weather-related events such as storms, floods, drought or heatwaves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns including changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity
  - **Climate-related transition risks**, which are risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks. These risks could carry financial implications for an entity, such as increased operating costs or asset impairment due to new or amended climate-related regulations. The entity's financial performance could also be affected by shifting consumer demands and the development and deployment of new technology.
- **Climate-related opportunities** available to the entity.

### Conceptual foundations

For climate-related financial information to be useful, it must be relevant and faithfully represent what it purports to represent. These are fundamental qualitative characteristics of useful climate-related financial information. The usefulness of climate-related financial information is enhanced if the information is comparable, verifiable, timely and understandable. These are enhancing qualitative characteristics of useful climate-related financial information.



## Source

### **General requirements for disclosure of climate-related financial information (continued)**

#### **Fair presentation**

AASB S2:[D]11  
AASB S2:[D]13

A complete set of climate-related financial disclosures presents fairly all climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects. To achieve faithful representation, an entity provides a complete, neutral and accurate depiction of those climate-related risks and opportunities.

AASB S2:[D]15

Fair presentation also requires an entity:

- To disclose information that is comparable, verifiable, timely and understandable
- To disclose additional information if compliance with the specifically applicable requirements in Australian Sustainability Reporting Standards is insufficient to enable users of general purpose financial reports to understand the effects of climate-related risks and opportunities on the entity's cash flows, its access to finance and cost of capital over the short, medium and long term.

AASB S2:D9

Climate-related financial information represents phenomena in words and numbers. To be useful, the information must not only represent relevant phenomena, it must also faithfully represent the substance of the phenomena that it purports to represent.

AASB S2:D10

To be a faithful representation, a depiction would be complete, neutral and accurate. The objective of general purpose financial reports is to maximise those qualities to the extent possible.

AASB S2:D11

A complete depiction of a climate-related risk or opportunity includes all material information necessary for primary users to understand that risk or opportunity.

AASB S2:D12

Climate-related financial information should be neutral. A neutral depiction is one without bias in the selection or disclosure of information. Information is neutral if it is not slanted, weighted, emphasised, de-emphasised or otherwise manipulated to make it more likely that primary users will receive that information favourably or unfavourably. Neutral information is not information without purpose or without influence on behaviour. On the contrary, relevant information is, by definition, capable of making a difference in users' decisions.

AASB S2:D13

Some climate-related financial information—for example, targets or plans—is aspirational. A neutral discussion of such matters covers both aspirations and the factors that could prevent an entity from achieving these aspirations.

AASB S2:D14

Neutrality is supported by the exercise of prudence. Prudence is the exercise of caution when making judgements under conditions of uncertainty. The exercise of prudence means that opportunities are not overstated and risks are not understated. Equally, the exercise of prudence does not allow for the understatement of opportunities or the overstatement of risks.

## Source

AASB S2:D15

### General requirements for disclosure of climate-related financial information (continued)

#### Fair presentation (continued)

Climate-related financial information should be accurate. Information can be accurate without being perfectly precise in all respects. The precision needed and attainable, and the factors that make information accurate, depend on the nature of the information and the nature of the matters to which it relates. For example, accuracy requires that:

- Factual information is free from material error
- Descriptions are precise
- Estimates, approximations and forecasts are clearly identified as such
- No material errors are made in selecting and applying an appropriate process for developing an estimate, approximation or forecast
- Assertions and inputs used in developing estimates are reasonable and based on information of sufficient quality and quantity
- Information on judgements about the future faithfully reflects both those judgements and the information on which they are based.

AASB S2:[D]B8

Reasonable and supportable information used by an entity in preparing its climate-related financial disclosures covers factors that are specific to the entity as well as general conditions in the external environment. In some cases—such as in identifying climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects—reasonable and supportable information includes information about past events, current conditions and forecasts of future conditions. Other Australian Sustainability Reporting Standards may specify what is reasonable and supportable information in specific cases.

AASB S2:D23

#### Verifiability

Climate-related financial information is provided in a way that enhances its verifiability. Verifiability can be enhanced by, for example:

- Including information that can be corroborated by comparing it with other information available to primary users about an entity's business, about other businesses or about the external environment in which the entity operates
- Providing information about inputs and methods of calculation used to produce estimates or approximations
- Providing information reviewed and agreed by the entity's board, board committees or equivalent bodies.

AASB S2:D24

Some climate-related financial information will be presented as explanations or forward-looking information. That information can be supportable, for example by faithfully representing fact-based strategies, plans and risk analyses. To help primary users decide whether to use such information, an entity describes the underlying assumptions and methods of producing the information, as well as other factors that provide evidence that the information reflects the actual plans or decisions made by the entity.

## Source

### **General requirements for disclosure of climate-related financial information (continued)**

#### **Understandability**

Climate-related financial information should be clear and concise. For climate-related financial disclosures to be concise, they need to:

- Avoid generic information, sometimes called “boilerplate”, that is not specific to the entity
- Avoid duplication of information in the general purpose financial reports, including unnecessary duplication of information also provided in the related financial statements
- Use clear language and clearly structured sentences and paragraphs.

AASB S2:D27

The clearest form a disclosure can take will depend on the nature of the information and might include tables, graphs or diagrams in addition to narrative text. If graphs or diagrams are used, additional text or tables might be necessary to avoid obscuring material detail.

#### **Materiality**

AASB S2:[D]17

An entity discloses material information about the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.

AASB S2:[D]18

In the context of climate-related financial disclosures, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and climate-related financial disclosures and which provide information about a specific reporting entity.

AASB S2:D8

In other words, materiality is an entity-specific aspect of relevance. The materiality of information is assessed in the context of an entity's climate-related financial disclosures and is based on the nature or magnitude of the item to which the information relates, or both.

AASB S2:[D]B13

Materiality of information is judged in relation to whether omitting, misstating or obscuring that information could reasonably be expected to influence decisions of primary users of general purpose financial reports, which provide information about a specific reporting entity.

AASB S2:[D]B25

An entity need not disclose information otherwise required by an Australian Sustainability Reporting Standard if the information is not material. This is the case even if the Australian Sustainability Reporting Standard contains a list of specific requirements or describes them as minimum requirements.

AASB S2:[D]B32

An entity discloses material climate-related financial information, even if law or regulation permits the entity not to disclose such information.

AASB S2:[D]B31

Law or regulation might specify requirements for an entity to disclose climate-related information in its general purpose financial reports. In such circumstances, the entity is permitted to include in its climate-related financial disclosures information to meet legal or regulatory requirements, even if that information is not material. However, such information should not obscure material information.

## Source

### General requirements for disclosure of climate-related financial information (continued)

#### Materiality (continued)

##### Aggregation and disaggregation

AASB S2:[D]B29

When an entity applies Australian Sustainability Reporting Standards, it considers all facts and circumstances and decide how to aggregate and disaggregate information in its climate-related financial disclosures. The entity does not reduce the understandability of its climate-related financial disclosures by obscuring material information with immaterial information or by aggregating material items of information that are dissimilar to each other.

AASB S2:[D]B30

An entity does not aggregate information if doing so would obscure information that is material. Information is aggregated if items of information have shared characteristics and are not aggregated if they do not have shared characteristics. The entity might need to disaggregate information about climate-related risks and opportunities, for example, by geographical location or in consideration of the geopolitical environment. For example, to ensure that material information is not obscured, an entity might need to disaggregate information about its use of water to distinguish between water drawn from abundant sources and water drawn from water-stressed areas.

#### Educational material

The IFRS Foundation has published [ISSB Standards—Sustainability-related risks and opportunities and the disclosure of material information](#), describing the characteristics of material information and the concept of sustainability-related risks and opportunities. It also explains the requirements related to identifying and disclosing material information about sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects.

The document notes the following in relation to materiality:

Materiality is used to assess whether *information* required by IFRS Sustainability Disclosure Standards would need to be disclosed by a particular entity. In other words, the definition of “material information” is used as a filter to assess whether *information* about a sustainability-related risk or opportunity would need to be provided by an entity to meet the requirements set out in ISSB Standards. The term materiality is *not* used in IFRS Sustainability Disclosure Standards in relation to the significance or importance of a sustainability-related risk or opportunity. Instead, IFRS Sustainability Disclosure Standards require disclosure of (material) information about the sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects.

#### Timing of reporting

AASB S2:[D]64

An entity reports its climate-related financial disclosures at the same time as its related financial statements. The entity's climate-related financial disclosures cover the same reporting period as the related financial statements.

*Note: See Section D1 for details of reporting requirements and deadlines under the Corporations Act.*

## Source

### General requirements for disclosure of climate-related financial information (continued)

#### Reporting entity

AASB S2:[D]Aus20.1

An entity's climate-related financial disclosures are for the same reporting entity as the related financial statements, unless otherwise permitted by law.

AASB S2:[D]AusB38.1

Unless otherwise permitted by law, paragraph Aus20.1 requires that climate-related financial disclosures are for the same reporting entity as the related financial statements. For example, consolidated financial statements prepared in accordance with Australian Accounting Standards provide information about the parent and its subsidiaries as a single reporting entity. Consequently, that entity's climate-related financial disclosures enable users of general purpose financial reports to understand the effects of the climate-related risks and opportunities on the cash flows, access to finance and cost of capital over the short, medium and long term for the parent and its subsidiaries.

#### Consolidated group provisions

s.292A(2)

If the accounting standards require an entity (the parent) to prepare financial statements for the financial year and the parent elects to prepare a sustainability report for the consolidated entity for the financial year, then:

- The parent is the only entity in the consolidated entity that must prepare a sustainability report
- The sustainability report must be prepared as if the consolidated entity is a single entity.

ASIC-RG 280.44

In certain circumstances, a subsidiary that is part of a consolidated entity or an entity that is part of a stapled group is not required to prepare a sustainability report. This applies when:

- A parent entity elects to prepare a sustainability report for the consolidated entity for the financial year and is also required by the accounting standards to prepare financial statements for the consolidated entity for the financial year (s.292A(2)), or
- A stapled entity in the stapled group prepares a sustainability report on behalf of the stapled group relying on [ASIC Corporations \(Reporting by Stapled Entities\) Instrument 2023/673](#).

ASIC-RG 280.45

The parent entity must be a Chapter 2M entity that is required to prepare consolidated financial statements to have the option of preparing a consolidated sustainability report under s.292A(2).

ASIC-RG 280.46

For example, a foreign parent entity does not have the option of preparing a consolidated sustainability report under s.292A(2) on behalf of the consolidated entity for a financial year. Australian subsidiaries of the foreign parent that are reporting entities must still prepare an individual sustainability report under s.292A. This is because the foreign parent is not a Chapter 2M entity and is not required under the accounting standards to prepare financial statements for the consolidated entity for the financial year for the purposes of Chapter 2M.

## Source

### General requirements for disclosure of climate-related financial information (continued)

#### Compliance with IFRS Sustainability Disclosure Standards

AASB S2:BC26

In accordance with IFRS S1 paragraphs 20 and B38, an entity's climate-related financial disclosures are required to be prepared for the same reporting entity as the related financial statements. That is, to comply with IFRS S2, an entity would prepare climate-related financial disclosures for its consolidated group if the related financial statements are prepared for that consolidated group.

AASB S2:BC27

The AASB observed that the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* does not require the parent entity of a consolidated group to prepare climate-related financial disclosures for its consolidated group. Under s.292A(2), as inserted by the legislative amendments, a parent entity has the choice of preparing a sustainability report for either the consolidated entity or the parent entity. Accordingly, the AASB added paragraphs Aus20.1 and AusB38.1 to Appendix D of AASB S2 to specify that an entity's climate-related financial disclosures are for the same reporting entity as the related financial statements *unless otherwise permitted by law*.

Entities wishing their sustainability report to be compliant with IFRS Sustainability Disclosure Standards should ensure that the reporting entity for the sustainability report is the same as for the financial statements.

#### Comparative information

AASB S2:[D]70

Unless another Australian Sustainability Reporting Standard permits or requires otherwise, an entity discloses comparative information in respect of the preceding period for all amounts disclosed in the reporting period. If such information would be useful for an understanding of the climate-related financial disclosures for the reporting period, the entity also discloses comparative information for narrative and descriptive climate-related financial information.

AASB S2:[D]B49

AASB S2 requires an entity to disclose comparative information in respect of the preceding period for all amounts disclosed in the reporting period.

#### Transitional relief

AASB S2:C3

An entity is not required to provide the disclosures specified in AASB S2 for any period before the date of initial application. Accordingly, an entity is not required to disclose comparative information in the first annual reporting period in which it applies AASB S2.

## Source

Greenhouse Gas Emissions educational material (Question 13)

### **General requirements for disclosure of climate-related financial information (continued)**

#### **Comparative information (continued)**

##### **Adjusting comparative greenhouse gas emissions information for changes in the composition of the entity**

AASB S2 does not require an entity to adjust comparative greenhouse gas emissions information for changes in the composition of the reporting entity such as an acquisition or disposal of a subsidiary.

AASB S2 requires an entity to disclose comparative information in respect of the preceding period for all amounts disclosed in the reporting period (AASB S2:[D]70). Climate-related financial disclosures provide information about the reporting entity's climate-related risks and opportunities. The definition of reporting entity establishes "what" the disclosure requirements apply to, and what information is required to be provided. AASB S2 requires that the climate-related financial disclosures be for the same reporting entity as the related financial statements (AASB S2:[D]Aus20.1). Therefore, the requirements related to comparative information are bound by the composition of the reporting entity in the related financial statements in the comparative period.

If there has been a change to the composition of the reporting entity, such as an acquisition or disposal, the comparative greenhouse gas emissions information provided will be greenhouse gas emissions information about the reporting entity on the basis of the composition of the reporting entity in the related financial statements. For example:

- The greenhouse gas emissions of a subsidiary newly acquired in the current reporting period will not be included in greenhouse gas emissions information in the comparative information, because the subsidiary was not part of the reporting entity in the related financial statements in the comparative period
- The greenhouse emissions of a subsidiary disposed of in the current reporting period will be included in greenhouse gas emissions information in the comparative information, because that subsidiary was part of the reporting entity of the related financial statements in the comparative period.

The Greenhouse Gas Protocol Corporate Standard is used to measure what is required to be disclosed by IFRS Sustainability Disclosure Standards (and Australian Sustainability Reporting Standards). The requirements in those Standards about the reporting entity and comparative information determine what is required to be disclosed related to changes in the composition of the reporting entity. Therefore, requirements in the GHG Protocol Standards regarding the reporting entity and comparative information do not apply when applying AASB S2.



## Source

**General requirements for disclosure of climate-related financial information (continued)****Comparative information (continued)****Adjusting comparative greenhouse gas emissions information for changes in the composition of the entity (continued)**

Although an entity is not required to adjust comparative greenhouse gas emissions information as a result of changes in the composition of the reporting entity, such as an acquisition or disposal of a subsidiary, an entity might need to provide additional information about the effect of the acquisition or disposal of a subsidiary.

This might be the case if an entity considers that compliance with the specifically applicable requirements in IFRS Sustainability Disclosure Standards (and Australian Sustainability Reporting Standards) is insufficient to enable primary users to understand the effects of climate-related risks and opportunities on the entity's prospects, in accordance with AASB S2:[D]B26, and that additional information is material.

**Connected information**

An entity provides information in a manner that enables users of general purpose financial reports to understand the following types of connections:

- The connections between the items to which the information relates—such as connections between various climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects
- The connections between disclosures provided by the entity:
  - Within its climate-related financial disclosures—such as connections between disclosures on governance, strategy, risk management and metrics and targets
  - Across its climate-related financial disclosures and other general purpose financial reports published by the entity—such as its related financial statements (see AASB S2:[D]B39–B44).

AASB S2:[D]23

Data and assumptions used in preparing the climate-related financial disclosures are consistent—to the extent possible considering the requirements of Australian Accounting Standards—with the corresponding data and assumptions used in preparing the related financial statements.

AASB S2:[D]B42

Drawing connections between disclosures involves, but is not limited to, providing necessary explanations and cross-references and using consistent data, assumptions, and units of measure. In providing connected information, an entity:

- Explains connections between disclosures in a clear and concise manner
- Avoids unnecessary duplication if Australian Sustainability Reporting Standards require the disclosure of common items of information
- Discloses information about significant differences between the data and assumptions used in preparing the entity's climate-related financial disclosures and the data and assumptions used in preparing the related financial statements.

Disclosing information about anticipated financial effects educational material

Although disclosure requirements are presented in a logical order in IFRS Sustainability Disclosure Standards, in presenting disclosures about sustainability-related risks and opportunities, an entity does not need to follow the order of the requirements in IFRS Sustainability Disclosure Standards. The entity instead uses an approach that is useful to “tell the story” about its sustainability-related risks and opportunities, enhancing connections between information and avoiding duplication when possible.

**Presentation currency**

AASB S2:[D]24

When currency is specified as the unit of measure in the climate-related financial disclosures, the entity uses the presentation currency of its related financial statements.

## Source

### General requirements for disclosure of climate-related financial information (continued)

#### Location of disclosures

AASB S2:[D]60

An entity is required to provide disclosures required by Australian Sustainability Reporting Standards as part of its general purpose financial reports.

AASB S2:[D]62

An entity may disclose information required by an Australian Sustainability Reporting Standard in the same location as information disclosed to meet other requirements, such as information required by regulators. The entity ensures that the climate-related financial disclosures are clearly identifiable and not obscured by that additional information.

#### Identification and distinguishing climate-related financial disclosures

AASB S2:[D]B27

An entity identifies its climate-related financial disclosures clearly and distinguishes them from other information provided by the entity. An entity does not obscure material information. Information is obscured if it is communicated in a way that would have a similar effect for primary users to omitting or misstating that information.

Examples of circumstances that might result in material information being obscured include:

- Material information is not clearly distinguished from additional information that is not material
- Material information is disclosed in the climate-related financial disclosures, but the language used is vague or unclear
- Material information about a climate-related risk or opportunity is scattered throughout the climate-related financial disclosures
- Items of information that are dissimilar are inappropriately aggregated
- Items of information that are similar are inappropriately disaggregated
- The understandability of the climate-related financial disclosures is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

#### Cross-referencing

AASB S2:[D]63

Information required by an Australian Sustainability Reporting Standard may be included in climate-related financial disclosures by cross-reference to another report published by the entity.

AASB S2:[D]B45

Information required by an Australian Sustainability Reporting Standard might be available in another report published by the entity. For example, the required information could be disclosed in the related financial statements. Material information can be included in an entity's climate-related financial disclosures by cross-reference, provided that:

- The cross-referenced information is available on the same terms and at the same time as the climate-related financial disclosures
- The complete set of climate-related financial disclosures is not made less understandable by including information by cross-reference.

AASB S2:[D]B46

Information included by cross-reference becomes part of the complete set of climate-related financial disclosures and complies with the requirements of Australian Sustainability Reporting Standards. For example, it needs to be relevant, representationally faithful, comparable, verifiable, timely and understandable. The body(s) or individual(s) that authorises the general purpose financial reports takes the same responsibility for the information included by cross-reference as it does for the information included directly.

## Source

AASB S2:[D]B47

### General requirements for disclosure of climate-related financial information (continued)

#### Cross-referencing (continued)

If information required by an Australian Sustainability Reporting Standard is included by cross-reference:

- The climate-related financial disclosures clearly identifies the report within which that information is located and explain how to access that report
- The cross-reference is to a precisely specified part of that report.

ASIC-RG 280.87

#### Lodgement of cross-referenced information

If a reporting entity's sustainability report cross-references to information in another report prepared by the reporting entity, it is strongly encouraged to lodge the other report with its sustainability report (if it has not already been lodged with ASIC).

ASIC-RG 280.88

ASIC notes this is because:

- Information included by cross-reference is taken to form part of the complete set of climate-related financial disclosures (AASB S2:[D]B46)
- information included by cross-reference must be available on the same terms and at the same time as the climate-related financial disclosures (AASB S2:[D]B45)
- Users of the sustainability report, both present and future, should have access to both the sustainability report and any cross-referenced report.

ASIC-RG 280.80

### Forward looking information

AASB S2 requires that a reporting entity "use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort" in disclosing the forward-looking climate information. This reflects that the quality and availability of data to support forward-looking climate information is expected to evolve over time and that disclosing forward-looking climate information over the medium and long term may be more uncertain than disclosing forward-looking information over the short term.

ASIC-RG 280.81

Forward-looking climate information that is required under the Corporations Act and AASB S2 is:

- Decision useful for existing and potential investors, lenders and other creditors, and other users of this information
- Supports regulators in considering the future financial stability implications of climate change.

ASIC-RG 280.82  
s.769C

Under the Corporations Act and the Australian Securities and Investments Commission Act, some representations about future matters will be taken to be misleading unless there are reasonable grounds for making the representation.

ASIC-RG 280.83

Forward-looking information in climate statements must comply with Appendix D of AASB S2, which sets out both the fundamental and enhancing qualitative characteristics of useful climate-related financial information. These are:

- Relevance and faithful representations (fundamental characteristics at AASB S2:[D]D4–D15)
- Comparability, verifiability, timeliness and understandability (enhancing characteristics at AASB S2:[D]D16–D33).

## Source

ASIC-RG 280.84

### Forward looking information (continued)

Reporting entities must maintain adequate sustainability records that explain the methods, assumptions and evidence for all forward-looking information in the climate statements. If requested by the auditor of the sustainability report or ASIC, this will enable the reporting entity to:

- Demonstrate the information, evidence and any expert advice (if relied on) that is available at the time to support the statements
- Provide further detail about, or background to, the inputs and assumptions used, particularly for areas of significant estimation uncertainty and judgement.

ASIC-RG 280.85  
s.674  
s.675

Reporting entities that are disclosing entities must comply with their continuous disclosure obligations under s.674 and s.675, including for forward-looking information in the climate statements. Sections 674 and 675 may apply if (among other things) facts and circumstances change in relation to forward-looking climate information in climate statements that:

- Is not generally available
- A reasonable person would expect to have a material effect on the price or value of enhanced disclosure securities (ED securities) of the entity. For these purposes, this is information that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the ED securities (s.677).

### Additional information in sustainability reports

ASIC-RG 280.90

Historical market practice for some entities has involved the preparation of a “sustainability report” containing information relating to sustainability that may include, but not be limited to, climate-related financial information

ASIC-RG 280.91

Entities may wish to disclose voluntary and other mandatory sustainability-related information to meet the information needs of users. For example, entities may wish to voluntarily disclose sustainability-related financial information, other than climate-related financial information, by applying all, or parts of, AASB S1.

ASIC-RG 280.92  
AASB S2:[D]62

Reporting entities should ensure that climate-related financial information is clearly identifiable and not obscured by additional information (AASB S2:[D]62). This practice:

- Reduces the risk that users of climate-related financial information are misled about the extent to which the information in the sustainability report is required to be disclosed under AASB S2
- Supports the objectives of sustainability reporting, by facilitating consistent and comparable climate-related financial disclosures.

ASIC-RG 280.93

Reporting entities may prepare a standalone report that only contains the climate-related financial information required under the Corporations Act and AASB S2. It would be helpful for users if the sustainability report were to contain a prominent description explaining that the climate-related financial information is required under s292A of the Corporations Act and AASB S2.

ASIC-RG 280.94

ASIC will administer the law on the basis that reporting entities may include additional sustainability-related information in the sustainability report, provided that the climate-related financial information required under the Corporations Act and AASB S2 is clearly identified and not obscured (AASB S2:[D]62).

For example, reporting entities could use an index table, included in a prominent location in the sustainability report, that identifies the climate-related financial information required under s.292A of the Corporations Act and AASB S2 (e.g. through cross-references to paragraph numbers in the sustainability report).

Source

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | <div><div>Modified liability settings</div><div><div></div><div><div>Proposed changes to the modified liability framework</div><div><p>Following an earlier <a href="#">consultation</a>, on 4 September 2025, the Federal Government introduced <a href="#">Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025</a> into Parliament. One of the measures in the Bill would extend the scope of the modified liability framework to:</p><ul style="list-style-type: none"><li>• Entities preparing voluntary sustainability reports in accordance with the requirements of the Corporations Act before they are mandatorily required to do so (i.e. voluntary sustainability reports prepared in accordance with the requirements of the Corporations Act and complying with AASB S2)</li><li>• Entities complying with ASIC instruments dealing with sustainability reporting where the ASIC instrument includes provision that the modified liability provisions apply.</li></ul><p>In both cases, the directors would also be required to make a declaration in the sustainability report (in a prescribed way) that the modified liability provisions apply.</p><p>At the date of finalisation of this publication (24 September 2025), the legislation had not passed Parliament and is not law. In <a href="#">ASIC Report 809 Response to submissions on CP 380 "Sustainability reporting"</a>, ASIC notes that if these measures are legislated, RG 280 will be updated.</p></div></div></div></div> |
| s.1707D(1)           | <div><div>Protection from liability</div><div><p>No action, suit or proceeding lies against a person in relation to a protected statement or a statement that is required to be made under a Commonwealth law and is the same as a protected statement or differs from a protected statement only in so far as it contains updates or corrections to the protected statement.</p></div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| s.1707D(2)           | <div><div></div><div><p>This limited immunity does not apply to an action, suit or proceeding if it is criminal in nature or brought by ASIC.</p></div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| s.1707D(3)<br>s.1707 | <div><div>Meaning of "protected statement"</div><div><p>For the purposes of the modified liability settings, a protected statement is a statement that is:</p><ul style="list-style-type: none"><li>• Made in a sustainability report for a financial year commencing during the three years starting on 1 January 2025 for the purpose of complying with a sustainability standard, or</li><li>• Made in an auditor's report of an audit or review of a sustainability report for the purposes of complying with the Corporations Act or the auditing standards</li></ul><p>Where the statement is made about:</p><ul style="list-style-type: none"><li>• Scope 3 greenhouse gas emissions (including financed emissions)</li><li>• Scenario analysis (as defined by sustainability standards)</li><li>• A transition plan (as defined by sustainability standards).</li></ul></div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| s.1707D(4)<br>s.1707 | <div><div></div><div><p>A protected statement also includes a statement that is:</p><ul style="list-style-type: none"><li>• Made in a sustainability report for a financial year commencing during the 12 months starting on 1 January 2025 for the purpose of complying with a sustainability standard, or in an auditor's report of an audit or review of a sustainability report for the purposes of complying with the Corporations Act or the auditing standards</li><li>• Relates to climate</li><li>• At the time it is made, is about the future.</li></ul></div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

## Source

ASIC-RG 280.61

### Modified liability settings (continued)

#### Effect of the modified liability settings

Under the modified liability settings, no legal action other than criminal action or action by ASIC can be brought against a person in relation to protected statements made in the sustainability report or the auditor's report on the sustainability report.

ASIC-RG 280.62

For example, an investor may not bring a civil action alleging that a protected statement in a sustainability report is misleading or deceptive.

ASIC-RG 280.64

ASIC-RG 280.79

#### Examples of protected statements

Protected statements relating to climate, that are the time they are made are about the future are likely to include:

- Climate-related risks and opportunities that could reasonably be expected to affect the reporting entity's prospects (AASB S2:11)
- The anticipated effects of climate-related risks and opportunities on the reporting entity's business model and value chain, strategy and decision making, and financial position, financial performance and cash flows (AASB S2:13, 14(a)-(b), 15(b), 16(b)-(d), 17-21)
- Any planned use of carbon credits to offset gas emissions to achieve any net greenhouse gas emissions target (AASB S2:36(e), AASB S2:B70).

ASIC-RG 280.65

Protected statements about scope 3 greenhouse gas emissions, scenario analysis and transition plans are likely to include statements about inputs and assumptions that inform these disclosures.

ASIC-RG 280.66

#### Where the modified liability settings do not apply

If a reporting entity discloses sustainability-related information in the sustainability report beyond what is required under the sustainability standards, the modified liability settings will not apply to those voluntary sustainability-related disclosures.

ASIC-RG 280.68

Examples of when a protected statement may be *required to be made* under a Commonwealth law include protected statements:

- Disclosed under an entity's continuous disclosure obligations under s.674 and s.675 of the Corporations Act
- Included in the operating and financial review (OFR) under s.299A(1)
- Included in disclosure documents (prospectus) under s.710
- Included in a product disclosure statement (PDS), e.g. as required under s.1013D or s.1013E
- Updated or corrected under an ASIC direction given under s.296E(1)(g).

ASIC-RG 280.69

The modified liability settings do not extend to statements made outside of a sustainability report where:

- The statement is made voluntarily, e.g. reproduced in an investor presentation or promotional material (unless that disclosure is required under Commonwealth law)
- The statement is included by cross-reference in the sustainability report
- The statement is a summary of the protected statement or expands on the content of a protected statement
- The statement comprises updates or corrections to a protected statement (unless included in a revised version of a protected statement required under a Commonwealth law).

## Source

ASIC-RG 280.113

### Sustainability-related financial disclosures outside the sustainability report

The sustainability reporting practices of reporting entities are likely to influence non-reporting entities in the preparation of sustainability-related financial disclosures in a range of contexts. ASIC considers that, over time:

- Accounting, sustainability and audit professionals (both current and future) will undertake and maintain training in the interpretation and application of the sustainability standards, including its defined terms
- The application of the sustainability standards will become common practice across the financial and corporate sector
- Investors and lenders will reasonably expect that sustainability-related financial information, including climate-related financial information, is provided in a consistent and comparable way in accordance with the sustainability standard
- Private sector reporting and information management systems should be developed to align to, and support compliance with, the sustainability standards
- The public sector and other agencies will report under a variation of the sustainability standards.

ASIC-RG 280.114

Accordingly:

- Reporting entities are encouraged to adopt the definitions for terms in Appendix A of AASB S1 or AASB S2, if those terms are also used in disclosure outside the sustainability report (e.g. terms such as climate resilience, scope 1, 2 and 3 greenhouse gas emissions, climate-related physical and transition risks and internal carbon price)
- Reporting entities are encouraged to apply the principles for disclosing useful sustainability-related financial information at paragraphs D4-D33 of Appendix D of AASB S1 and AASB S2 when disclosing sustainability-related financial information outside the sustainability report (*see General requirements for disclosure of climate-related financial information on page E-5*).

ASIC-RG 280.115

Non-reporting entities are also encouraged to adopt these defined terms and apply these principles in similar contexts, although they are not required to prepare a sustainability report. This is because these defined terms and principles are expected to become widely understood and prevalent, when disclosing sustainability-related financial information.

ASIC-RG 280.116

These practices facilitate the disclosure of higher quality sustainability-related financial information outside the sustainability report. For example, a reporting entity that applies these principles for disclosing useful sustainability-related financial information:

- Is more likely to faithfully represent that information from the sustainability report
- Is less likely to distort the balance, tenor and prominence of that information from the sustainability report.

ASIC-RG 280.116  
(Note)

ASIC's reviews of sustainability-related disclosures will extend to information from sustainability reports reproduced in other documents lodged with ASIC, such as disclosure documents or product disclosure statements (PDSs). ASIC has noted it will likely carefully scrutinise information that includes or references information from a sustainability report.

ASIC-RG 280.117

ASIC supports the disclosure of sustainability-related financial information outside the sustainability report where:

- The information supports confident and informed investors
- The entity determines that it is in its interests and those of its stakeholders to do so.



## Source

### Comparison with TCFD recommendations

The following resources are available for entities moving from the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to reporting under the Corporations Act and AASB S2:

- [AASB S2 to TCFD Comparison](#) – published by the AASB, this document summarises similarities and differences between AASB S2 and the TCFD core recommendations, recommendations and guidance
- [Comparison – IFRS S2 Climate-related Disclosures with the TCFD recommendations](#) – published by the IFRS Foundation, this publication notes that the requirements in IFRS S2 integrate, and are consistent with, the four core recommendations and 11 recommended disclosures published by the TCFD. The publication outlines where IFRS S2 uses different wording, is more detailed or differs from the TCFD guidance (mainly by providing additional requirements and guidance).

### AASB S2 Knowledge Hub

The AASB has made a [AASB S2 Knowledge Hub](#) available on its website. The Hub includes:

- AASB S2 guidance (including Australian versions of some of the IFRS Foundation educational materials discussed in section B1.4.1)
- Information about the AASB S2 Implementation Advisory Panel
- A series of frequently asked questions
- Additional resources.

Entities preparing sustainability reports may find these resources helpful.

### Australian national climate risk assessment

On 15 September 2025, the Australian Government released:

- Australia's first [National Climate Risk Assessment](#) providing an overview of nationally significant climate risks and impacts
- A [National Adaption Plan](#) to provide a policy framework to respond to the risks identified
- Data, information and insights to assist planning and adaptation on the [Australian Climate Service website](#).

These may be a useful resource in developing disclosures required in the sustainability report, particularly in identifying climate-related risks and opportunities.

# Directors' declaration

Source

Requirements for the directors' declaration



**Possible guidance on the directors' declaration**

We understand that the AUASB, ASIC and other parties are considering the need for guidance on the wording of the directors' declaration in the sustainability report.

At the date of finalisation of this publication (24 September 2025), no guidance has been issued. Entities should continue to monitor developments in this area as they prepare their sustainability reports.

s.296A(6)  
s.1707C(2)

**Core requirements**

The directors' declaration is a declaration by the directors as to whether, in the directors' opinion, the entity has taken reasonable steps to ensure the substantive provisions of the sustainability report are in accordance with the Corporations Act, including:

- Section 296C (compliance with sustainability standards, etc)
- Section 296D (climate statement disclosures).

s.296A(7)

The declaration must:

- Be made in accordance with a resolution of the directors
- Specify the date on which the declaration is made
- Be signed by a director.

ASIC-RG 280.57 (Note 1)

The directors providing the directors' declaration are those of the entity that is required to prepare the sustainability report. For RSEs, registered schemes and retail CCIVs, these are the directors of the entity required to prepare the sustainability report on behalf of the RSE, registered scheme or retail CCIV.

ASIC-RG 280.58

**Modified statement for first three years**

For the financial years commencing between 1 January 2025 and 31 December 2027, directors of reporting entities are required to declare that, in their opinion, the entity has taken reasonable steps to ensure that the sustainability report (other than the directors' declaration) is in accordance with the Corporations Act and AASB S2.

This modified declaration reflects that:

- The sophistication and maturity of a reporting entity's controls, policies, procedures and systems for sustainability reporting are expected to develop over time
- Directors are expected to develop their understanding, experience and capabilities in relation to sustainability reporting over time.

ASIC-RG 280.59

For the financial years commencing on or after 1 January 2028, directors are required to declare whether, in the directors' opinion, the sustainability report (other than the directors' declaration) is in accordance with the Corporations Act (including s.296C and s.296D) and AASB S2.

# Climate statements

## For the financial year ending 31 December 2025

### Source



### Deloitte guidance on these requirements

The Deloitte Accounting Research Tool (DART) contains extensive resources on sustainability reporting, including the requirements, and related Deloitte interpretations and guidance, of IFRS Sustainability Reporting Standards, the Greenhouse Gas Protocol and European Union sustainability reporting requirements.

The following key sections will be particularly useful for entities preparing mandatory sustainability reports under the Corporations Act:

- [Chapter E7](#) *General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)*
- [Chapter E8](#) *Climate-related disclosures (IFRS S2)*
- [Volume G](#) *Sustainability Reporting (GHG Protocol)*.

A [DART subscription](#) or Deloitte credentials are needed to access these materials. A one-time 30-day trial subscription is available.

## Governance

### Objective

The objective of climate-related financial disclosures on governance (governance disclosure objective) is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.

### Governance body

To achieve the governance disclosure objective, an entity discloses information about:

- The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity identifies that body(s) or individual(s) and disclose information about:
  - How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s)
  - How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities
  - How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities
  - How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities
  - How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see AASB S2:33-36), including whether and how related performance metrics are included in remuneration policies (see AASB S2:29(g)).

AASB S2:5

AASB S2:6(a)

## Source

Disclosing information about an entity's climate-related transition (3.1.1)

## Governance (continued)

### Bodies or individuals responsible for a strategic goal

Where an entity has a transition plan, an entity might disclose information about how it reviews and approves a strategic goal related to its climate-related transition, and how responsibilities for that strategic goal are reflected. For example, in the terms of reference, mandates and role descriptions, the entity might determine that it is relevant to disclose whether the entity has appointed a specific member of the relevant governance body(s), or sub-committee, to be accountable for that strategic goal.

In showing how effective governance processes are in developing the strategic goal, overseeing target-setting and monitoring progress towards targets, an entity might determine that it is relevant to provide information about the methods used by the body(s) or individual(s) for review, approval and monitoring.

Disclosures about how the body(s) or individual(s) takes the strategic goal into account in overseeing the entity's strategy will help the entity communicate the extent to which the strategic goal is integrated into the entity's strategy and wider decision-making.

An entity might determine that it is relevant to provide information on the extent to which the strategic goal is considered by the body(s) or individual(s) in making other decisions and overseeing other activities—for example, in:

- Reviewing and guiding business strategy, and risk management processes
- Making decisions on major transactions and plans of action
- Setting budgets, or
- Defining performance objectives.

### Management's role

To achieve the governance disclosure objective, an entity discloses information about:

- Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:
  - Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee
  - Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.

### Avoiding duplication

In preparing disclosures to fulfil the requirements in respect of the governance disclosures an entity avoids unnecessary duplication in accordance with Appendix D of AASB S2 (see AASB S2:[D]B42(b)).

For example, although an entity provides the information required by paragraph 6 of AASB S2, if oversight of sustainability-related risks and opportunities is managed on an integrated basis, the entity would avoid duplication by providing integrated governance disclosures instead of separate disclosures for each sustainability-related risk and opportunity.

The requirement to avoid unnecessary duplication applies particularly if an entity elects to voluntarily apply AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (September 2024) to disclose information about other sustainability-related risks and opportunities in addition to climate-related risks and opportunities in general purpose financial reports.

AASB S2:6(b)

AASB S2:7

AASB S2:Aus7.1

## Source

Disclosing information about an entity's climate-related transition (3.1.2)

### Governance (continued)

#### Management's role in the processes used for a strategic goal

In disclosing information about the role of a body(s) or individual(s) in defining a strategic goal, an entity might determine that it is relevant to provide information about:

- How the individuals responsible for implementing the strategic goal are being brought together from various teams and functions, to promote cross-business ownership of the strategic goal
- What escalation processes are in place to enable challenges or concerns related to the strategic goal to be communicated to the relevant governance body(s) or individual(s).

If an entity has controls and procedures in place to support oversight of its strategic goal, the entity might determine that it is relevant to disclose:

- Information on controls used to monitor the strategic goal and progress against the goal by internal assurance functions such as internal audit, and how the controls are integrated with other functions
- Information on whether aspects of the entity's disclosures on its strategic goal are externally assured or verified and, if so:
  - The nature of the assurance or verification
  - The subject matter that is assured or verified.

In providing information about whether a strategic goal is subject to shareholder approval, an entity might determine that it is relevant to disclose whether decisions are subject to a vote and, if so, whether the vote is binding or advisory.

#### Skills, competencies and knowledge to implement a strategic goal

An entity disclosing information about how it assesses whether it has the appropriate skills, competencies and knowledge to achieve the strategic goal related to its transition towards a lower-carbon and/or climate-resilient economy might determine that it is relevant to provide information about:

- How it has assessed the skills and knowledge required to act successfully
- How it has mapped its skills and knowledge against the needs identified
- What important skill and knowledge gaps it has identified.

An entity disclosing information about actions that it is taking, or plans to take, to acquire or develop these skills might determine that it is relevant to provide information about:

- Recruitment efforts
- Internal training programmes and other efforts to upskill its workforce.

An entity disclosing information about actions that it is taking, or plans to take, to provide the governance body(s) or individual(s) and executive management with access to skills, competencies and knowledge might determine that it is relevant to provide information about:

- Board effectiveness assessments
- Internal or external training or engagement sessions
- Regular briefings on climate-related transition issues.

Disclosing information about an entity's climate-related transition (3.1.4)

## Source

AASB S2:BC28

AASB S2:BC30

IFRS S2:23

## Strategy

### Compliance with IFRS S2

In finalising AASB S2, the AASB decided, as an interim measure, not to require industry-based disclosures to be provided and therefore also not to require entities to consider the applicability of disclosure topics (and the industry-based metrics associated with those disclosure topics) defined in the Sustainability Accounting Standards Board (SASB) Standards and *Industry-based Guidance on Implementing IFRS S2* issued by the ISSB.

Acknowledging constituent feedback, the AASB made decisions regarding the consideration and disclosure of industry-based information as an interim measure, signalling its intention to redeliberate this matter in the near future. The AASB added a project to its workplan with respect to industry-based disclosure requirements. This project will focus on determining the appropriate basis and content of the industry-based disclosures, including assessing the industry-based classification system, the applicability of the industry-based disclosure topics and the industry-based metrics defined in the *Industry-based Guidance on Implementing IFRS S2*. The Treasury Policy Position Statement *Mandatory climate-related financial disclosures* (January 2024) states that “Entities should only be required to disclose against well-established and understood industry-based metrics from 1 July 2030 onwards.” Accordingly, the AASB intends to finalise mandatory requirements for industry-based disclosures by 2030.

If an entity wishes to be compliant with IFRS S2, in preparing disclosures to meet the strategy disclosures in this section, in addition to the cross-industry metric categories (as described in AASB S2:29), the entity refers to and considers the applicability of industry-based metrics associated with disclosure topics defined in the *Industry-based Guidance on Implementing IFRS S2*.

The IFRS Foundation has published [educational material](#) to help entities understand the role of the ISSB industry-based guidance when applying IFRS Sustainability Disclosure Standards.



### Proposed changes to the *Industry-based Guidance on Implementing IFRS S2*

In July 2025, the ISSB [released](#) two exposure drafts that would amend the SASB Standards and *Industry-based Guidance on Implementing IFRS S2*.

The exposure drafts propose:

- Substantial amendments to nine SASB Standards as a result of a comprehensive review of those standards. The nine Standards cover coal, construction materials, iron and steel, metals and mining, oil and gas and processed foods
- Targeted amendments to other SASB Standards for 41 industries to maintain consistent disclosures on common topics, affecting disclosure topics and metrics related to greenhouse gas emissions, energy management, water management, labour practices and workforce health and safety.

As the *Industry-based Guidance on Implementing IFRS S2* is derived from, and consistent with, the SASB Standards, equivalent amendments are proposed in that document to ensure consistency. Metrics in the guidance would be amended for 10 sectors (i.e. all sectors except the financials sector). In addition, a number of metrics are proposed to be deleted or added across the Industry-based guidance.

The exposure drafts are open for comment until 30 November 2025. The ISSB has indicated an effective date of 12 to 18 months after any revisions are made (but early adoption will be available).

Entities wishing to be compliant with IFRS S2 should monitor these developments.

## Source

AASB S2:8

AASB S2:Aus23.1

AASB S2:10

AASB S2:11

ASIC-RG 280.80

AASB S2:[D]31

AASB S2:[D]B10

## Strategy (continued)

### Objective

The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities.

In preparing disclosures to meet the requirements for strategy disclosures in this section, an entity refers to and considers the applicability of cross-industry metric categories described in AASB S2:29.

### Specific disclosures

#### Climate-related risks and opportunities

An entity discloses information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity:

- Describes climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects
- Explains, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk
- Specifies, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur
- Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.

In identifying the climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects, the entity uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future conditions.

AASB S2 requires that a reporting entity "use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort" in disclosing the forward-looking climate information. This reflects that the quality and availability of data to support forward-looking climate information is expected to evolve over time and that disclosing forward-looking climate information over the medium and long term may be more uncertain than disclosing forward-looking information over the short term.

#### Time horizons

Time horizons are not defined. Short-, medium- and long-term time horizons can vary between entities and depend on many factors, including industry-specific characteristics, such as cash flow, investment and business cycles, the planning horizons typically used in an entity's industry for strategic decision-making and capital allocation plans, and the time horizons over which users of general purpose financial reports conduct their assessments of entities in that industry.

#### No undue cost or effort

An entity need not undertake an exhaustive search for information to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. The assessment of what constitutes undue cost or effort depends on the entity's specific circumstances and requires a balanced consideration of the costs and efforts for the entity and the benefits of the resulting information for primary users. That assessment can change over time as circumstances change.



## Source

### Strategy (continued)

#### **Commercially sensitive information exemption**

AASB S2:[D]B34

If an entity determines that information about a climate-related opportunity is commercially sensitive in the limited circumstances described below, the entity is permitted to omit that information from its climate-related financial disclosures. Such an omission is permitted even if information is otherwise required by an Australian Sustainability Reporting Standard and the information is material.

AASB S2:[D]B35

An entity qualifies for the exemption if, and only if:

- Information about the climate-related opportunity is not already publicly available
- Disclosure of that information could reasonably be expected to prejudice seriously the economic benefits the entity would otherwise be able to realise in pursuing the opportunity
- The entity has determined that it is impossible to disclose that information in a manner—for example, at an aggregated level—that would enable the entity to meet the objectives of the disclosure requirements without prejudicing seriously the economic benefits the entity would otherwise be able to realise in pursuing the opportunity.

AASB S2:[D]B36

The entity also reassesses, at each reporting date, whether the information qualifies for the exemption.

AASB S2:[D]B37

An entity cannot use the exemption in relation to a climate-related risk or as a basis for broad non-disclosure of climate-related information.

AASB S2:[D]B36

If an entity elects to use the exemption, the entity, discloses the fact for each item of information omitted.

#### **Nature and social aspects of climate-related risks and opportunities**

The ISSB has published [Nature and social aspects of climate-related risks and opportunities](#) to provide guidance to entities on considering nature and social aspects of climate-related reporting.

Nature and social aspects of climate-related risks and opportunities

Entities might identify climate-related risks and opportunities at the nexus of climate and nature (for example, those related to water or deforestation), as well as those closely associated with socioeconomic aspects, such as the just transition to a lower-carbon economy.

Stakeholders have asked whether—and, if so, how—entities should consider such “nature and social aspects” of climate-related risks and opportunities when they apply the requirements in IFRS S2 to prepare their climate-related disclosures.

The educational material, which comprises three examples, explains and illustrates how entities might apply requirements in IFRS S2 and IFRS S1 in such circumstances to provide material information to users of general purpose financial reports.

#### **Business model and value chain**

AASB S2:13

An entity discloses information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity discloses:

- A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain
- A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).

## Source

AASB S2:14

**Strategy (continued)****Strategy and decision-making**

An entity discloses information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity discloses:

- Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity discloses information about:
  - Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments)
  - Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications)
  - Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains)
  - Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies
  - How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets
- Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with the above requirements
- Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods.

Disclosing information about an entity's climate-related transition (3.2.1)

**Dependencies in the transition plan**

An entity's transition plan might have dependencies. Dependencies are critical factors and conditions for an entity's transition plan to be implemented.

Such dependencies might include:

- Dependencies on the entity's workforce (for example, on workers' ability to successfully implement changes in the entity's operations)
- Dependencies on specific ecosystem services (for example, on water availability, regulation of water quality or regulation of hazards, such as floods)
- Dependencies on an emission removal technology that is necessary for an entity to meet its greenhouse gas emissions targets
- Dependencies on a minimum level of resource availability that is required for the entity to implement its transition plan.

## Source

Disclosing information about an entity's climate-related transition (3.2.1)

### Strategy (continued)

#### Strategy and decision-making (continued)

##### *Dependencies in the transition plan (continued)*

An entity providing information about whether and how it has identified, assessed and taken into account such dependencies might determine that it is relevant to disclose information about:

- What dependencies it has identified
- How it has assessed these dependencies, including the scope and methodology of the assessment (for example, which business operations it has considered in the assessment)
- How it has taken these dependencies into account in its strategic goal, including how they might have resulted in changes to its objectives and priorities.

##### *Key assumptions used in developing the transition plan*

The key assumptions used in developing a transition plan are likely to vary among entities, depending on their size, sector and geographical location.

AASB S2 requires that an entity provide information about key assumptions it has used in developing its transition plan. In meeting this requirement the entity might determine that it is relevant to provide information about the timeframe over which any key assumptions are expected to occur.

Depending on the approach an entity has taken, the entity might determine that it is relevant to disclose key assumptions about:

- Policy and regulatory action (for example, existing or future subsidies for research and development, incentives for demand-side behaviours or government action on climate adaptation)
- Decarbonisation (for example, the speed of grid decarbonisation or the availability of important low-carbon inputs at scale)
- Macroeconomic trends (for example, labour availability, cost of borrowing, inflation or interest rates)
- Microeconomic and financial factors (for example, availability of finance, relative prices, cost of capital, margins on major activities or expected capital expenditure needs to acquire, maintain and upgrade fixed assets)
- Technological developments (for example, speed of technological innovation or costs of vital technologies)
- Reliability of data (for example, information about asset location, exposure to physical and transition risks or emissions data)
- Shifts in client and consumer demand (for example, projected demand for new and existing products and services)
- The level of temperature changes over the short, medium and long term
- The physical impacts of the changing climate, and their regional and spatial implications (for example, expected changes in precipitation patterns, water availability, temperatures and extreme weather events, and the expected impacts of these changes on assets and/or supply chains)
- The effectiveness of adaptation efforts and possible limits to adaptation (for example, resilience of assets and/or supply chains to changes in precipitation patterns, droughts, floods, heatwaves and other extreme weather events).

## Source

**Strategy (continued)****Strategy and decision-making (continued)****Transition Plan Taskforce sector summary**

The Transition Plan Taskforce (TPT) *Sector Summary* includes sector disclosure recommendations on transition plans for 30 sectors.

The TPT Sector Summary:

- Provides an overview of transition plan guidance for 30 financial and real-economy sectors
- Is a practical guide designed to give entities and users of information about climate-related transition a non-exhaustive summary of the important information and sources of guidance for each sector
- Includes an overview of decarbonisation levers, governance, engagement, business and operational metrics and targets, and greenhouse gas metrics and targets for each sector.

For more information, see Transition Plan Taskforce [Sector Summary](#) (April 2024) and [Section 4](#) of *Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2* (June 2025).

**Business model and value chain, mitigation and adaptation efforts**

In providing information about how an entity's business model is changing, or is expected to change, the entity might determine that it is relevant to disclose information about:

- Downstream changes, such as:
  - Changes in the entity's portfolio of products and services offered (for example, moving from oil and gas production to renewable electricity generation and retail, or shifting from a 'fast' fashion product portfolio to a 'slow' fashion product portfolio)
  - Entrance or exit from specific markets
- Changes within the business model, such as:
  - Reduction or removal of the entity's office space (for example, a service business selling its offices and becoming fully 'remote')
  - Changes in the channels or methods used to interact with customers (for example, a retailer closing its physical stores and becoming online-only)
  - Changes in 'own' site electricity and fuel usage (for example, moving to renewable sources of electricity or to low- or no-greenhouse-gas-emissions fuels to power machinery)
  - Changes in investment strategies (for example, moving to an investment strategy with a greater focus on asset transition or climate solutions)
  - Changes in production or distribution technology (for example, phasing out diesel-fuelled vehicles and replacing them with electric vehicles)
- Upstream changes, such as:
  - A move to a new supply chain due to significant changes in product design, required inputs or procurement policies
  - Changes in the geographical reach of the entity's value chain.

Disclosing information about an entity's climate-related transition (3.2.2)

## Source

Disclosing information about an entity's climate-related transition (3.2.2)

## Strategy (continued)

### Strategy and decision-making (continued)

#### Business operations

With regard to short-, medium- and long-term actions an entity is taking, or plans to take, in its business operations, notable actions relating to an entity's business operations might relate to:

- Production processes or equipment (for example, actions to embed more low- or no-greenhouse-gas-emissions technology into production processes or improve energy efficiency)
- Workforce adjustments (for example, actions to reduce in-person meetings and business travel or actions to upskill workers)
- Supply chain and procurement (for example, actions to source products from suppliers with stronger climate commitments, procure alternative goods or raw materials with a lower-greenhouse-gas-emissions footprint, or relocate or diversify the supply chain)
- Locations of offices and operations (for example, moving into more energy-efficient office spaces or re-locating operations to an area with a more secure renewable energy supply)
- Management of assets exposed to risks arising from a changing climate (for example, actions to strengthen the resilience of office spaces to extreme heat or of production facilities to flood or drought risks).

An entity might reasonably provide more detailed information about the actions it plans to take in the short term, than about the actions it plans to take in the medium or long term, reflecting the greater uncertainty attached to planned actions further into the future.

The entity also discloses additional information to help users of general purpose financial reports contextualise the information provided. For example, the entity might determine that it is relevant to provide information about its physical assets that are most pertinent to its business model, including details to help users of its general purpose financial reports assess the credibility and comprehensiveness of the entity's plans to manage or phase out greenhouse-gas-energy-intensive assets. Such details could include exact geolocation, ownership share, production type, capacity, technology, age and the remaining operational lifetime.

#### Products and services

In providing information about short-, medium- and long-term actions an entity is taking, or plans to take, to change its portfolio of products and services, examples of current and planned changes that an entity might determine that it is relevant to disclose include:

- Increases in the share of low-greenhouse-gas-emissions products and services in its portfolio (for example, products produced using clean technology or low-greenhouse-gas-emissions inputs, new green or transition-related financial products or greater investment in low-greenhouse-gas-emissions assets)
- Plans to phase out high-greenhouse-gas-emissions products and services (for example, plans to replace blast furnaces with electric furnaces or to phase out the sale of vehicles with traditional internal combustion engines).

Details about any taxonomies, tools, methodologies or definitions an entity has used to classify or define products and services might help to provide context for the entity's disclosures.

Disclosing information about an entity's climate-related transition (3.2.2)

## Source

Disclosing information about an entity's climate-related transition (3.2.2)

## Strategy (continued)

### Strategy and decision-making (continued)

#### *Policies and conditions*

To implement its strategic goal, an entity might create, or plan to create, policies and conditions. The entity might determine that it is relevant to provide information about the policies and conditions that are expected to make an important contribution to achieving its strategic goal. These policies and conditions will differ depending on the entity's sector, business model, strategic goal and overall implementation and engagement strategies.

Examples of matters that an entity might cover include:

- Energy usage
- Phase-out of greenhouse-gas-intensive assets
- Climate-related considerations in procurement or for suppliers
- Climate-related considerations (for example, thresholds, targets or restrictions) in lending or investment activities
- Adaptation and building resilience to the changing climate
- Supplier engagement
- Portfolio engagement
- Land-use and land-management changes (for example, deforestation)
- Safeguards to mitigate potential adverse impacts on the natural environment
- Human rights
- Labour standards
- Advancement of social equity or mitigation of potential adverse social impacts (for example, on communities).

To provide appropriate context for the policies and conditions described, the entity might determine that it is relevant to disclose the objective of the policy, the nature and scope of the activities to which it relates (for example, how it is applied to specific business lines), the timeframe over which it applies, how it is overseen, and any metrics and targets the entity uses to assess the contribution of the policy to achieving its strategic goal.

#### *Indirect mitigation and adaptation efforts— Engagement strategy*

Disclosing information about an entity's climate-related transition (3.2.2)

The development of an entity's response to transition and physical risks and climate-related opportunities involves engagement—for example with the entity's value chain. A value chain refers to the full range of interactions, resources and relationships to an entity's business model and the external environment in which it operates. Some entities might engage, or plan to engage, with a variety of parties on matters related to its transition to a lower-carbon and/or climate-resilient economy. These parties might include industry counterparts, government, regulators, public sector organisations, communities and civil society.

An entity might determine that it is relevant to disclose information about engagement activities that contribute towards achieving its strategic goal—for example, engagement to develop the entity's mitigation and adaptation efforts.

Entities' priorities related to engaging with other entities might differ depending on their strategic goal. An entity might determine that it is relevant to disclose a stakeholder map as part of its explanation of how the entity prioritises engagement activities to maximise its contribution towards achieving its strategic goal.

## Source

**Strategy (continued)****Strategy and decision-making (continued)*****Indirect mitigation and adaptation efforts— Engagement strategy (continued)***

An entity might determine that it is relevant to disclose the extent to which the entity prioritises engagement with, for example:

- Entities that account for the largest proportion of the entity's Scope 3 greenhouse gas emissions
- Entities over which it has the greatest degree of influence
- Entities that are relevant to its business-critical processes
- Entities that have control, responsibility or influence over major external factors on which achieving its strategic goal depends (for example, suppliers who are developing technologies required for responding to transition and physical risks and climate-related opportunities)
- Small suppliers or customers that require extra support.

Examples of current and planned engagement activities related to an entity's value chain that an entity might determine that it is relevant to disclose include:

- Requests for data and information from individuals and organisations along the value chain
- Initiatives to encourage suppliers to reduce their emissions or develop and implement credible strategic goals
- Work carried out with suppliers to help alleviate deforestation, land conversion or human rights issues relevant to the entity's strategic goal
- Engagement with customers to encourage more sustainable consumption choices.

***External requirements, commitments, science-based targets, transition pathways, roadmaps and scenarios***

Disclosing information about an entity's climate-related transition (3.2.3)

An entity's strategic goal might be informed by both bottom-up considerations drawn from its own situation and operating context and top-down considerations based on the changes necessary to limit the worst effects of rising global temperatures. In providing information about its approach to meeting its strategic goal, an entity might determine that it is relevant to refer to:

- External requirements (for example, targets that the entity is required to meet by law or regulation)
- Commitments (for example, voluntary commitments made as a member of a net-zero initiative)
- Science-based targets (for example, the Science Based Targets Initiative Criteria and Recommendations for Near-term Targets)
- Transition pathways or roadmaps (for example, the Transition Pathway Initiative Sectoral Decarbonisation Pathways or the Science Based Targets Initiative Sector Decarbonisation Pathways)
- Scenarios (for example, the International Energy Agency Net Zero Emissions by 2050 Scenario or the Network for Greening the Financial System Climate Scenarios).

***Funding the implementation of a strategic goal***

Disclosing information about an entity's climate-related transition (3.2.4)

An entity disclosing information about how it is resourcing activities to implement its strategic goal might determine that it is relevant to disclose:

- The planned capital expenditure arising from these activities both in absolute terms and, when possible, relative to total capital expenditure over the same time horizon
- The planned funding needs for research and development arising from these activities.

The entity might determine that it is relevant to disclose amounts in ranges or as a percentage of totals.

For more information and industry-specific examples, see [IFRS Foundation publication](#) *Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2* (June 2025).



## Source

### Strategy (continued)

#### Strategy and decision-making (continued)



#### Proposed Federal Government guidance on preparing transition plans

In August 2025, Treasury [released](#) a consultation paper *Climate-related Transition Planning Guidance*.

The document is focused on preparers of climate-related transition plans and outlines a draft transition planning cycle framework (based on the [IFRS Transition Plan Taskforce \(TPT\) framework](#)), which is seen as a continuous cycle of 'assess or reassess', 'set ambition', 'plan actions' and 'implement'.

In relation to the preparation of transition plans, the document adapts the three guiding principles in the IFRS TPT Disclosure Framework of 'ambition', 'action' and 'accountability' into the following topics: foundations, implementation strategy, engagement strategy, metrics and targets and governance.

Treasury is seeking feedback on the draft guidance by 24 September 2025 and expects to finalise the guidance by the end of 2025.

More information about the proposed guidance can be found in section B2.4.

#### Implications for sustainability reports

Whilst noting that the preparation and publication of transition plans is not mandated under Australia's climate-related financial disclosure regime, the draft guidance notes that AASB S2 requires disclosure of information about any climate-related transition plan the entity has, including key assumptions and dependencies.

Furthermore, the document notes that whilst not mandated in Australia, "organisations should also consider periodically publishing their transition plan in the interest of transparency and credibility".

## Source

### Strategy (continued)

#### Financial position, financial performance and cash flows

AASB S2:15

An entity discloses information that enables users of general purpose financial reports to understand:

- The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects)
- The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).

AASB S2:16

Specifically, an entity discloses quantitative and qualitative information about:

- How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period
- The climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements
- How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration
  - Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to
  - Its planned sources of funding to implement its strategy
- How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).

AASB S2:17

In providing quantitative information, an entity may disclose a single amount or a range.

#### Link with strategy and decision making

Disclosing information about anticipated financial effects educational material

As an example of the link between anticipated financial effects and disclosures about strategy and decision-making, AASB S2 requires an entity to provide information about the entity's strategy to mitigate and adapt to climate-related transition and physical risks and respond to climate-related opportunities. This information might include information that is also relevant to anticipated financial effects—for example, information about the effect of the implementation of the entity's transition plan on its financial position, financial performance and cash flows.

In this context, an entity might determine that it is relevant to provide information about:

- Anticipated effects on asset valuations and asset lives (for example, a decrease in the value of an asset as a result of a reduced market for products that are not energy efficient in a lower-carbon economy)
- Anticipated investments into infrastructure that can withstand rising sea levels or extreme weather events.

The entity might determine that this information is relevant for both the disclosure of information about anticipated financial effects and the disclosure of information about its transition planning. To avoid duplication, the entity could determine that it is appropriate to include information by cross-reference within the sustainability-related financial disclosures.

## Source

Disclosing information about anticipated financial effects educational material

Disclosing information about an entity's climate-related transition (3.2.5)

Disclosing information about an entity's climate-related transition (3.2.6)

## Strategy (continued)

### Financial position, financial performance and cash flows (continued)

#### *Link with climate-related metrics*

AASB S2 requires an entity to disclose:

- The amount and percentage of assets or business activities vulnerable to climate-related transition and physical risk
- The amount and percentage of assets or business activities aligned with climate-related opportunities.

These metrics could be relevant to disclosures about current and anticipated financial effects, and thus the same information could be presented in a manner that meets more than one disclosure requirement.

For example, assets identified as being vulnerable to climate-related risks might be an example of assets whose carrying amounts are at significant risk of material adjustment within the next annual reporting period.

#### *Effects of implementing a strategic goal on an entity's financial position*

An entity disclosing information about the effects of the implementation of its strategic goal on its financial position over the short, medium and long term might determine that it is relevant to provide information about:

- Anticipated effects on asset valuations and asset lives as a result of delivering on the strategic goal (for example, a decrease in the value of an asset as a result of a reduced market for pollutant assets in a lower-carbon economy)
- Anticipated effects on asset valuations as a result of delivering on the strategic goal (for example, an increase in the value of an investment in an entity that produces plant or equipment necessary for the climate-related transition)
- Planned financing arrangements to support business continuity as the entity develops low-greenhouse-gas-products and services
- Effects on the statement of financial position of borrowing to fund the implementation of the strategic goal.

#### *Effects of implementing a strategic goal on an entity's financial performance*

An entity disclosing information about the effects of the implementation of its strategic goal on its financial performance over the short, medium and long term might determine that it is relevant to provide information about:

- Anticipated effects on revenues (for example, increased revenue from products and services aligned with a lower-carbon economy or anticipated consumer demand for new low-greenhouse-gas-emissions products and services)
- Anticipated effects on operating costs (for example, initial sunk costs due to implementing new low- or no-greenhouse-gas-emissions technology, losses on disposal of business units, increased commodity risk management costs due to increases in the percentage of renewable energy in the electricity mix or increased costs passed on by suppliers)
- Long-term savings from investments in renewable energy assets
- Impairments due to adverse effects triggered by the transition towards a lower-carbon economy (for example, impairments arising when assets become or are expected to become stranded)
- Anticipated effects on profit margins (for example, reflecting assumptions about the degree to which changes in costs can be passed on to consumers).

## Source

Disclosing information about an entity's climate-related transition (3.2.6)

AASB S2:18

AASB S2:19

AASB S2:20

AASB S2:21

Disclosing information about anticipated financial effects educational material

## Strategy (continued)

### Financial position, financial performance and cash flows (continued)

#### *Effects of implementing a strategic goal on an entity's cash flows*

Cash flows are affected by many factors affecting an entity's financial performance.

An entity needs to consider the effects of its strategic goal in its cash flow projections.

#### *Proportionality mechanisms and exceptions*

In preparing disclosures about the anticipated financial effects of a climate-related risk or opportunity, an entity:

- Uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort
- Uses an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.

An entity need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity if the entity determines that:

- Those effects are not separately identifiable, or
- The level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.

In addition, an entity need not provide quantitative information about the anticipated financial effects of a climate-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide that quantitative information.

#### *Disclosure requirements*

If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the above criteria, the entity:

- Explains why it has not provided quantitative information
- Provides qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity
- Provides quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.

#### *All reasonable and supportable information*

In determining "all reasonable and supportable information", an entity firstly considers factors that are specific to the entity and secondly considers general conditions in the external environment.

When preparing disclosures on anticipated financial effects, all reasonable and supportable information includes information about past events, current conditions and forecasts of future conditions.

In identifying reasonable and supportable information, companies consider all information that is reasonably available to them, including information they already have.

## Source

Disclosing information about anticipated financial effects educational material

### Strategy (continued)

#### Financial position, financial performance and cash flows (continued)

##### *All reasonable and supportable information (continued)*

Entities:

- Need only to use information that is available to them at the reporting date including historical, current or forward-looking information (such as forecasts of future conditions)
- Cannot disregard information that is known or publicly available
- Need to have an appropriate basis for using the information.

##### *Undue cost or effort*

“Undue cost of effort” is the part of the mechanism that provides the parameter about the cost or effort an entity is required to incur in obtaining information to meet a specific requirement. That is, an entity assesses what constitutes undue cost or effort in obtaining information to meet that requirement.

The “undue cost or effort” mechanism does not exempt an entity from disclosing information. Entities are required to use the information that is available to them to meet disclosure requirements but only the information that is available without undue cost or effort.

The assessment of undue cost or effort:

- Depends on the entity's specific circumstances
- Requires a balanced consideration of the costs and efforts for the entity, and the benefits of the resulting information for investors.

An entity:

- Need not carry out an exhaustive search to obtain information to meet the relevant disclosure requirement
- Considers the benefits for investors and the incremental effort, or costs required to provide such additional information.

To assist companies in determining what information is considered to be available without undue cost or effort, it is noted in paragraph B9 of IFRS S1 that some information is always considered to be available to an entity without undue cost or effort. This information includes information the entity used:

- In preparing its financial statements
- In operating its business model
- In setting its strategy
- In managing its risks and opportunities.

In considering other information that is available without undue cost or effort, it is noted that an entity can carry out a less exhaustive search if the cost of obtaining particular information is proportionately higher for the entity than for other companies with more resources. The information that is available without undue cost or effort to an entity to use in its disclosures can vary depending on its circumstances.

The greater the usefulness of information about a sustainability-related risk or opportunity is to investors, the greater the effort expected of an entity in obtaining that information.

It is also important to highlight that the information that is available and the cost or effort considered undue can change over time.

## Source

Disclosing information  
about anticipated  
financial effects  
educational material

## Strategy (continued)

### Financial position, financial performance and cash flows (continued)

#### *Meaning of “an approach commensurate with the skills, capabilities and resources available to the entity”*

An entity's available skills, capabilities and resources might be internal and external. They provide the context to inform the entity's consideration of the potential costs and level of effort required by a particular approach.

The ISSB noted that an entity cannot avoid providing quantitative information for anticipated financial effects because it does not have the skills or capabilities to do so, if it has the resources available to obtain or develop those skills or capabilities. In the absence of such resources, the proportionality mechanisms seek to accommodate the development of skills or capabilities over time.

In addition, although an entity's skills, capabilities and resources are referenced in the relief from providing quantitative disclosures, it is noted it is not always necessary for an entity to be well resourced or to be capable of undertaking sophisticated analysis to provide quantitative information. For example, the quantitative information provided could be information such as amount of planned investment in new energy-efficient equipment included in the entity's near-term budget.

#### *Meaning of “not separately identifiable”*

In some cases, it may not be possible to separately identify the financial effects of a sustainability-related risk or opportunity. Financial effects might arise from more than one source and affect several line items in the related financial statements, and therefore isolating the effect of the particular sustainability-related risk or opportunity may not be possible.

For example, an entity has observed a trend of decreasing demand for its products which it believes is partially driven by adverse economic and market conditions, and partially driven by changing consumer demands related to climate considerations. The entity cannot isolate the decrease in demand due to the effects of climate-related risk from the effects of other causes. Notwithstanding that the effects of the climate-related risk are inseparable, the entity provides quantitative information about the combined effects of decreasing demand.

#### *AASB guidance*

The AASB has published [Proportionality Mechanisms in AASB S2](#), providing a high-level overview of the proportionality mechanisms in AASB S2, including when and how they apply and considerations in their application.

#### *Regulatory perspectives*

ASIC notes that reporting entities should take particular care to ensure adequate sustainability records are kept that substantiate the reporting entity's application of the proportionality mechanisms and exceptions under AASB S2 (if applicable). Given their subjectivity, ASIC notes it may scrutinise the approach of reporting entities in this area.

Disclosing information  
about anticipated  
financial effects  
educational material

ASIC-RG 280.110

## Source

Disclosing information about anticipated financial effects educational material

## Strategy (continued)

### Financial position, financial performance and cash flows (continued)

#### ***Disclosure prohibited by law or regulation or is commercially sensitive***

An entity does not need to disclose information about current and anticipated financial effects if that would require the disclosure of information that is prohibited by law or regulation or would result in the disclosure of information about opportunities that is commercially sensitive.

For example, if, in response to a climate-related opportunity, an entity has a confidential plan to dispose of a subsidiary in the medium term, it might decide the information provided be limited to describing the overall strategy to respond to the opportunity rather than providing details about the subsidiary and the planned timing of the disposal.

Alternatively, the entity might use the “commercially sensitive information exemption” because it determines that it is in fact not possible to disclose information about the anticipated financial effects of the transaction in a manner that would avoid prejudicing seriously the economic benefits it would otherwise realise from the opportunity.

AASB S2:22

### **Climate resilience**

An entity discloses information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity uses climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range.

Specifically, the entity discloses each of the matters noted below.

AASB S2:22(a)

#### ***Assessment of climate resilience***

The entity's assessment of its climate resilience as at the reporting date, which enables users of general purpose financial reports to understand:

- The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis
- The significant areas of uncertainty considered in the entity's assessment of its climate resilience
- The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including;
  - The availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities
  - The entity's ability to redeploy, repurpose, upgrade or decommission existing assets
  - The effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience.



## Source

### Strategy (continued)

#### Climate resilience (continued)

##### Information about climate-related scenario analysis

AASB S2:22(b)

The entity discloses how and when the climate-related scenario analysis was carried out, including:

- Information about the inputs the entity used, including:
  - Which climate-related scenarios the entity used for the analysis and the sources of those scenarios
  - Whether the analysis included a diverse range of climate-related scenarios
  - Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks
  - Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change
  - Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties
  - The time horizons the entity used in the analysis
  - What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis)
- The key assumptions the entity made in the analysis, including assumptions about:
  - Climate-related policies in the jurisdictions in which the entity operates
  - Macroeconomic trends
  - National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources)
  - Energy usage and mix
  - Developments in technology
- The reporting period in which the climate-related scenario analysis was carried out.

s.296D(2B)

##### Legislative requirements

Where required by the sustainability standards, a disclosure of scenario analysis, information derived from a scenario analysis or information about a scenario analysis must be carried out using at least both of the following scenarios:

- An increase in the global average temperature well exceeds the increase mentioned in subparagraph 3(a)(i) of the *Climate Change Act 2022* (being 2 degrees Celsius above pre-industrial levels)
- An increase in the global average temperature is limited to the increase mentioned in subparagraph 3(a)(ii) of that Act (being 1.5 degrees Celsius above pre-industrial levels).

ASIC-RG 280.99 (Note)

The [Revised Supplementary Explanatory Memorandum](#) to the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* clarifies that an increase of 2.5 degrees Celsius or higher would “well exceed” 2 degrees Celsius above pre-industrial levels. Therefore, there is a risk that reporting entities do not comply with s.296D(2B)(b) if they use a climate scenario based on an increase that is less than 2.5 degrees Celsius above pre-industrial levels.

## Source

**Strategy (continued)****Climate resilience (continued)****Legislative requirements (continued)**

ASIC-RG 280.100

The key objective of these requirements is to ensure that users have the benefit of information about the reporting entity's climate resilience and material financial risks and opportunities relating to climate that are informed by scenarios that contemplate:

- Rapid global decarbonisation in the near term (lower global warming scenario)
- More pronounced climate impacts over the medium to long term (higher global warming scenario).

ASIC-RG 280.101

These scenarios combined provide insight into the potential climate resilience and material financial risks and opportunities relating to climate of the reporting entity under both high-end physical risk and high-end transition risk.

AASB S2:B12

**Approach to scenario analyses**

When selecting scenarios, variables and other inputs to use in climate-related scenario analysis, an entity might, for example, use one or more climate-related scenarios—including international and regional scenarios—that are publicly and freely available from authoritative sources. The entity should have a reasonable and supportable basis for using a particular scenario or set of scenarios. For example, an entity with operations concentrated in a jurisdiction where emissions are regulated—or are likely to be regulated in the future—might determine that it is appropriate to carry out its analysis using a scenario consistent with an orderly transition to a lower-carbon economy or consistent with relevant jurisdictional commitments to the latest international agreement on climate change. Elsewhere, for example, an entity with heightened exposure to physical climate-related risks might determine that it is appropriate to carry out its analysis using a localised climate-related scenario that takes into account current policies.

AASB S2:B17

An entity might use a simpler approach to climate-related scenario analysis, such as qualitative scenario narratives, if such an approach is appropriate to the entity's circumstances. For example, if an entity does not currently have the skills, capabilities or resources to carry out quantitative climate-related scenario analysis but has a high degree of exposure to climate-related risk, the entity might initially use a simpler approach to climate-related scenario analysis, but would build its capabilities through experience and, therefore, would apply a more advanced quantitative approach to climate-related scenario analysis over time. An entity with a high degree of exposure to climate-related risks and opportunities, and with access to the necessary skills, capabilities or resources, is required to apply a more advanced quantitative approach to climate-related scenario analysis.

AASB S2:B18

**Frequency of scenario analysis**

Although AASB S2 requires an entity to disclose information about its climate resilience at each reporting date, the entity might carry out its climate-related scenario analysis in line with its strategic planning cycle, including a multi-year strategic planning cycle (for example, every three to five years). Therefore, in some reporting periods the entity's disclosures in accordance with AASB S2:22(b) could remain unchanged from the previous reporting period if the entity does not conduct a scenario analysis annually.

At a minimum, the entity updates its climate-related scenario analysis in line with its strategic planning cycle. However, an assessment of the entity's resilience is required to be carried out annually to reflect updated insight into the implications of climate uncertainty for the entity's business model and strategy. As such, an entity's disclosure of the results of the entity's resilience assessment is updated at each reporting period.

## Source

### Risk management

#### Objective

AASB S2:24

The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.

#### Disclosures

AASB S2:25

To achieve the risk management disclosure objective, an entity discloses information about:

- The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:
  - The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes)
  - Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks
  - How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria)
  - Whether and how the entity prioritises climate-related risks relative to other types of risk
  - How the entity monitors climate-related risks
  - Whether and how the entity has changed the processes it uses compared with the previous reporting period
- The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities
- The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.

#### Avoiding duplication

AASB S2:26

In preparing disclosures to fulfil the risk management disclosure requirements, an entity avoids unnecessary duplication. For example, although an entity provides the information required above, if oversight of sustainability-related risks and opportunities is managed on an integrated basis, the entity would avoid duplication by providing integrated risk management disclosures instead of separate disclosures for each sustainability-related risk and opportunity.

AASB S2:Aus26.1

The requirement to avoid unnecessary duplication applies particularly if an entity elects to voluntarily apply AASB S1 to disclose information about other sustainability-related risks and opportunities in addition to climate-related risks and opportunities in general purpose financial reports.

Source

AASB S2:27

AASB S2:28

AASB S2:BC28

AASB S2:BC30

IFRS S2:28  
IFRS S2:32

Metrics and targets

Objective

The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity’s performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.

To achieve this objective, an entity discloses:

- Information relevant to the cross-industry metric categories
- Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.

Compliance with IFRS S2

In finalising AASB S2, the AASB decided, as an interim measure, not to require industry-based disclosures to be provided and therefore also not to require entities to consider the applicability of disclosure topics (and the industry-based metrics associated with those disclosure topics) defined in the Sustainability Accounting Standards Board (SASB) Standards and *Industry-based Guidance on Implementing IFRS S2* issued by the ISSB.

Acknowledging constituent feedback, the AASB made decisions regarding the consideration and disclosure of industry-based information as an interim measure, signalling its intention to redeliberate this matter in the near future. The AASB added a project to its workplan with respect to industry-based disclosure requirements. This project will focus on determining the appropriate basis and content of the industry-based disclosures, including assessing the industry-based classification system, the applicability of the industry-based disclosure topics and the industry-based metrics defined in the *Industry-based Guidance on Implementing IFRS S2*. The Treasury Policy Position Statement *Mandatory climate-related financial disclosures* (January 2024) states that “Entities should only be required to disclose against well-established and understood industry-based metrics from 1 July 2030 onwards.” Accordingly, the AASB intends to finalise mandatory requirements for industry-based disclosures by 2030.

If an entity wishes to be compliant with IFRS S2, in preparing disclosures to meet the metrics and targets disclosures in this section, in addition to the cross-industry metric categories (as described in AASB S2:29-31), the entity discloses industry-based metrics associated with particular business models, activities or other features that characterise participating in an industry. In determining the industry-based metrics that the entity discloses, the entity refers to and considers the applicability of the industry-based metrics associated with disclosure topics described in the *Industry-based Guidance on Implementing IFRS S2*.

The IFRS Foundation has published [educational material](#) to help entities understand the role of the ISSB industry-based guidance when applying IFRS Sustainability Disclosure Standards.



Proposed changes to the *Industry-based Guidance on Implementing IFRS S2*

In July 2025, the ISSB [released](#) two exposure drafts that would amend the SASB Standards and *Industry-based Guidance on Implementing IFRS S2*.

Under the proposals, metrics in the industry-based guidance would be amended for 10 sectors (i.e. all sectors except the financials sector). In addition, a number of metrics are proposed to be deleted or added across the Industry-based guidance.

More information about the proposals can be found on page E-25. Entities wishing to be compliant with IFRS S2 should monitor these developments.

## Source

### Metrics and targets (continued)

#### Overriding disclosures about metrics and targets

##### Source of metrics

AASB S2:[D]49

If an entity discloses a metric from a source other than Australian Sustainability Reporting Standards, the entity identifies the source of the metric taken.

##### Entity-developed metrics

AASB S2:[D]50

If a metric has been developed by an entity, the entity discloses information about:

- How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than Australian Sustainability Reporting Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source
- Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as a red, amber, green—or RAG—status)
- Whether the metric is validated by a third party and, if so, which party
- The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made.

##### Labels and definitions

AASB S2:[D]53

An entity labels and define metrics and targets using meaningful, clear and precise names and descriptions.

##### Comparative information for metrics

###### *Transitional relief*

AASB S2:C3

An entity is not required to provide the disclosures specified in AASB S2 for any period before the date of initial application. Accordingly, an entity is not required to disclose comparative information in the first annual reporting period in which it applies AASB S2.

AASB S2:[D]52

The definition and calculation of metrics, including metrics used to set the entity's targets and monitor progress towards reaching them, is consistent over time.

##### *Metrics that are estimates*

AASB S2:[D]B50

In some cases, the amount disclosed for a metric is an estimate. Except as specified (see exceptions below), if an entity identifies new information in relation to the estimated amount disclosed in the preceding period and the new information provides evidence of circumstances that existed in that period, the entity:

- Discloses a revised comparative amount that reflects that new information
- Discloses the difference between the amount disclosed in the preceding period and the revised comparative amount
- Explains the reasons for revising the comparative amount.

##### *Exceptions*

AASB S2:[D]B51

In applying the above requirement, an entity need not disclose a revised comparative amount:

- If it is impracticable to do so
- If the metric is forward-looking. Forward-looking metrics relate to possible future transactions, events and other conditions. The entity is permitted to revise a comparative amount for a forward-looking metric if doing so does not involve the use of hindsight.

Source

Metrics and targets (continued)

Comparative information for metrics (continued)

New metrics

AASB S2:[D]B53 If an entity introduces a new metric in the reporting period, it discloses a comparative amount for that metric unless it is impracticable to do so.

Redefined or replaced metrics

AASB S2:[D]B52 If an entity redefines or replaces a metric in the reporting period, the entity:

- Discloses a revised comparative amount, unless it is impracticable to do so
- Explains the changes
- Explains the reasons for those changes, including why the redefined or replacement metric provides more useful information.

Impracticability exception

AASB S2:[D]B54 Sometimes, it is impracticable to revise a comparative amount to achieve comparability with the reporting period. For example, data might not have been collected in the preceding period in a way that allows retrospective application of a new definition of a metric, and it might be impracticable to recreate the data.

AASB S2:[D]B54 If it is impracticable to revise a comparative amount for the preceding period, an entity discloses that fact.

Climate-related metrics

Greenhouse gases

Absolute greenhouse gas emissions

AASB S2:29(a)(i) The entity discloses its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO<sub>2</sub> equivalent, classified as:

- Scope 1 greenhouse gas emissions
- Scope 2 greenhouse gas emissions
- Scope 3 greenhouse gas emissions.

Possible method of presenting this information

| Greenhouse gas emissions                                   |                                                                                              | 31/12/2025<br>kt CO <sub>2</sub> -e | 31/12/2024 <sup>74</sup><br>kt CO <sub>2</sub> -e |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------|
| AASB S2:29(a)(i)<br>AASB S2:29(a)(iv)<br>AASB S2:29(a)(iv) | <b>Scope 1 emissions</b>                                                                     |                                     |                                                   |
|                                                            | - Consolidated group                                                                         |                                     |                                                   |
|                                                            | - Other investees                                                                            |                                     |                                                   |
| AASB S2:29(a)(i)<br>AASB S2:29(a)(iv)<br>AASB S2:29(a)(iv) | <b>Scope 2 emissions (location-based)</b>                                                    |                                     |                                                   |
|                                                            | - Consolidated group                                                                         |                                     |                                                   |
|                                                            | - Other investees                                                                            |                                     |                                                   |
| <b>Total Scope 1 and Scope 2 emissions</b>                 |                                                                                              |                                     |                                                   |
| AASB S2:29(a)(i)                                           | <b>Scope 3 greenhouse gas emissions (see page Error! Bookmark not defined.)<sup>75</sup></b> |                                     |                                                   |
| <b>Total greenhouse gas emissions</b>                      |                                                                                              |                                     |                                                   |

<sup>74</sup> Comparative information is not required in the first annual reporting period in which an entity applies AASB S2 (see AASB S2:C3)

<sup>75</sup> An entity is not required to disclose Scope 3 emissions in the first annual reporting periods in which an entity applies AASB S2 (AASB S2:C4(b)).

## Source

Greenhouse Gas  
Emissions educational  
material (Question 3)

## Metrics and targets (continued)

### Climate-related metrics (continued)

#### Greenhouse gases (continued)

##### *Disclosure of greenhouse gas emissions generated on a gross basis*

AASB S2 requires an entity to disclose its absolute gross greenhouse gas emissions generated during the reporting period. The use of the word 'gross' means the entity measures its greenhouse gas emissions without taking into consideration any removal efforts (for example, through the use of carbon credits). The word 'absolute' means the entity discloses the total amount of GHG emissions instead of, for example, greenhouse gas emissions intensity.

##### *Measurement of greenhouse gas emissions*

The entity:

- Measures its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions
- Discloses the approach it uses to measure its greenhouse gas emissions including:
  - The measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions
  - The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions
  - Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.



##### **Proposed changes to the measurement of greenhouse gas emissions**

In April 2025, the ISSB [released](#) an [exposure draft](#) that would amend IFRS S2 *Climate-related Disclosures* to ease the application of certain greenhouse gas emissions disclosures. The AASB [issued](#) an equivalent exposure draft.

The exposure draft proposals would, if implemented, permit entities to use:

- A method for measuring greenhouse gas emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) if a jurisdictional authority or an exchange on which the entity is listed requires the use of a different measurement method for **part** of an entity
- Global warming potential (GWP) values other than the GWP values based on a 100-year time horizon from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date, if a jurisdictional authority or an exchange on which the entity is listed requires the use of different GWP values.

The ISSB exposure draft was open for comment until 27 June 2025. The ISSB has indicated the effective date would be set so that the amendments would be effective as early as possible and to permit early application. As at the date of finalisation of this publication (24 September 2025), the amendments have not been finalised.



## Source

### Metrics and targets (continued)

#### Climate-related metrics (continued)

##### Greenhouse gases (continued)

###### *Measurement approach set out in the Greenhouse Gas Protocol*

AASB S2:B27

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) includes different measurement approaches that an entity might use when measuring its greenhouse gas emissions. In disclosing information in accordance with AASB S2:29(a)(iii), the entity is required to disclose information about the measurement approach it uses. For example, when the entity discloses its greenhouse gas emissions measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the entity is required to use the equity share or control approach.

AASB S2:B27

The entity discloses:

- The approach it uses to determine its greenhouse gas emissions (for example, the equity share or control approach in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004))
- The reason, or reasons, for the entity's choice of measurement approach and how that approach relates to the disclosure objective on metrics and targets in AASB S2:27 (i.e. to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation).

AASB S2:B24

###### *Jurisdictional authority or exchange requirements*

An entity is required to use the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless the entity is required by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its greenhouse gas emissions. If the entity is required by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its greenhouse gas emissions, the entity is permitted to use this method rather than using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) for as long as the jurisdictional or exchange requirement applies to the entity.

AASB S2:B25

In some circumstances, an entity might be subject to a requirement in the jurisdiction in which it operates to disclose its greenhouse gas emissions for a specific part of the entity or for some of its greenhouse gas emissions (for example, only for Scope 1 and Scope 2 greenhouse gas emissions). In such circumstances, the jurisdictional requirement does not exempt the entity from applying the requirements in AASB S2 to disclose the entity's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for the entity as a whole.

AASB S2:C4

###### *Transitional relief*

In the first annual reporting period in which an entity applies AASB S2, if, in the annual reporting period immediately preceding the date of initial application of AASB S2, the entity used a method for measuring its greenhouse gas emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the entity is permitted to continue using that method.

AASB S2:C5

If the entity uses this transitional relief, the entity is permitted to continue to use that relief for the purposes of presenting that information as comparative information in subsequent reporting periods.

## Source

### Metrics and targets (continued)

#### Climate-related metrics (continued)

##### Greenhouse gases (continued)

###### *Additional disclosures where other methods are used*

AASB S2:B28  
AASB S2:27

When an entity discloses its greenhouse gas emissions measured in accordance with another method (i.e. due to jurisdictional authority or exchange requirements or where the transitional relief is applied), the entity discloses:

- The applicable method and measurement approach the entity users to determine its greenhouse gas emissions
- The reasons, or reasons, for the entity's choice of method and measurement approach and how that approach relates to the disclosure objective on metrics and targets in AASB S2:27 (i.e. to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation).

###### *Emission factors*

AASB S2:B29

As part of an entity's disclosure of the measurement approach, inputs and assumptions, the entity discloses information to enable users of general purpose financial reports to understand which emission factors the entity uses in its measurement of its greenhouse gas emissions.

AASB S2:B29

AASB S2 does not specify emission factors an entity is required to use in its measurement of its greenhouse gas emissions. Instead, AASB S2 requires an entity to use emission factors that best represent the entity's activity as its basis for measuring its greenhouse gas emissions.

###### *Disaggregated Scope 1 and 2 emissions*

AASB S2:29(a)(iv)

For Scope 1 and Scope 2 greenhouse gas emissions disclosed, the entity disaggregates emissions between:

- The consolidated accounting group (for example, for an entity applying Australian Accounting Standards, this group would comprise the parent and its consolidated subsidiaries)
- Other investees (for example, for an entity applying Australian Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries).

###### *Location-based Scope 2 emissions*

AASB S2:29(a)(v)

For Scope 2 greenhouse gas emissions, the entity:

- Discloses its location-based Scope 2 greenhouse gas emissions
- Provides information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.

AASB S2:B30

For the avoidance of doubt, an entity is required to disclose its Scope 2 greenhouse gas emissions using a location-based approach and is required to provide information about contractual instruments only if such instruments exist and information about them informs users' understanding of an entity's Scope 2 greenhouse gas emissions.

AASB S2:B31

Contractual instruments are any type of contract between an entity and another party for the sale and purchase of energy bundled with attributes about the energy generation or for unbundled energy attribute claims (unbundled energy attribute claims relate to the sale and purchase of energy that is separate and distinct from the greenhouse gas attribute contractual instruments). Various types of contractual instruments are available in different markets and the entity might disclose information about its market-based Scope 2 greenhouse gas emissions as part of its disclosure.

## Source

**Metrics and targets (continued)****Climate-related metrics (continued)****Greenhouse gases (continued)****Scope 3 emissions**

AASB S2:29(a)(vi)

For Scope 3 greenhouse gas emissions, the entity discloses:

- The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)
- Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see below).

**Possible method of presenting this information**AASB S2:29(a)(vi)  
AASB S2:B55

| <b>Scope 3 greenhouse gas category<sup>76</sup></b>     | <b>Measurement approach, inputs and assumptions</b> | <b>31/12/2025<br/>kt CO<sub>2</sub>-e</b> | <b>31/12/2024<sup>77</sup><br/>kt CO<sub>2</sub>-e</b> |
|---------------------------------------------------------|-----------------------------------------------------|-------------------------------------------|--------------------------------------------------------|
| Category 1 – Purchased goods and services               | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 2 – Capital goods                              | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 3 – Fuel and energy related activities         | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 4 – Upstream transportation and distribution   | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 5 – Waste generated in operations              | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 6 – Business travel                            | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 7 – Employee commuting                         | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 8 – Upstream leased assets                     | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 9 – Downstream transportation and distribution | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 10 – Processing of sold products               | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 11 – Use of sold products                      | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 12 – End-of-life treatment of sold products    | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 13 – Downstream leased assets                  | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 14 - Franchises                                | <i>[Describe]</i>                                   |                                           |                                                        |
| Category 15 - Investments                               | <i>[Describe]</i>                                   |                                           |                                                        |

**Transitional relief**

AASB S2:C4(b)

In the first annual reporting periods in which an entity applies AASB S2, the entity is not required to disclose its Scope 3 greenhouse gas emissions, which includes, if the entity participates in asset management, commercial banking or insurance activities, the additional information about its financed emissions.

<sup>76</sup> An entity is not required to include line items for all 15 categories unless they are relevant sources of Scope 3 greenhouse gas emissions. For more information, see *Inclusion of all 15 categories of Scope 3 emissions* on page E-57. Furthermore, additional information is required about the entity's Scope 3 emissions (as outlined on the following pages).

<sup>77</sup> Comparative information is not required in the first annual reporting period in which an entity applies AASB S2 (see AASB S2:C3)

## Source

### Metrics and targets (continued)

#### Climate-related metrics (continued)

#### Greenhouse gases (continued)

##### *Guidance on Scope 3 emissions*

AASB S2:B32

The entity considers its entire value chain (upstream and downstream) and considers all 15 categories of Scope 3 greenhouse gas emissions, as described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). In accordance with AASB S2:29(a)(vi), the entity discloses which of these categories are included in its Scope 3 greenhouse gas emissions disclosures.

AASB S2:B33

For the avoidance of doubt, regardless of the method an entity uses to measure its greenhouse gas emissions, an entity is required to disclose the categories included within its measure of Scope 3 greenhouse gas emissions as described in AASB S2:29(a)(vi).

AASB S2:B36

To determine the scope of the value chain, which includes its breadth and composition, an entity uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.

AASB S2:B40

An entity's measurement of Scope 3 greenhouse gas emissions relies upon a range of inputs. AASB S2 does not specify the inputs the entity is required to use to measure its Scope 3 greenhouse gas emissions, but does require the entity to prioritise inputs and assumptions using these identifying characteristics (which are listed in no particular order):

- Data based on direct measurement (i.e. the direct monitoring of greenhouse gas emissions)
- Data from specific activities within the entity's value chain
- Timely data that faithfully represents the jurisdiction of, and the technology used for, the value chain activity and its greenhouse gas emissions
- Data that has been internally or externally verified (including on-site checking, reviewing calculations, or cross-checking of data against other sources).

AASB S2:B55

An entity discloses information about the measurement approach, inputs and assumptions it uses to measure its Scope 3 greenhouse gas emissions in accordance with AASB S2:29(a)(iii). This disclosure includes information about the characteristics of the data inputs as described in AASB S2:B40 (as outlined above). The purpose of this disclosure is to provide users of general purpose financial reports with information about how the entity has prioritised the highest quality data available, which faithfully represents the value chain activity and its Scope 3 greenhouse gas emissions. This disclosure also helps users of general purpose financial reports to understand why the measurement approach, inputs and assumptions the entity uses to estimate its Scope 3 greenhouse gas emissions are relevant.

AASB S2:B56

As part of the requirement to disclose the approach it uses to measure greenhouse gas emissions, and to reflect how an entity prioritises Scope 3 data in accordance with the measurement framework set out in AASB S2:B40–B54, the entity discloses information that enables users of general purpose financial reports to understand:

- The extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs from specific activities within the entity's value chain
- The extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs that are verified.

## Source

### Metrics and targets (continued)

#### Climate-related metrics (continued)

##### Greenhouse gases (continued)

##### *Impracticable to estimate Scope 3 emissions*

AASB S2:B57

AASB S2 includes the presumption that Scope 3 greenhouse gas emissions can be estimated reliably using secondary data and industry averages.

AASB S2:B57

In those rare cases when an entity determines it is impracticable to estimate its Scope 3 greenhouse gas emissions, the entity discloses how it is managing its Scope 3 greenhouse gas emissions.

AASB S2:B57

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so.

##### *Regulatory perspectives*

ASIC-RG 280.106

ASIC notes that:

- The accuracy of estimation techniques may improve over time, as the quality and availability of data for reporting scope 3 greenhouse gas emissions (and the cost and effort in obtaining it) improves
- The extent of a reporting entity's reliance on the use of secondary data (such as industry averages) to measure its scope 3 greenhouse gas emissions may evolve over time, as the availability and quality of data (and the likely cost and effort in obtaining it) improves.

##### *Financed emissions<sup>78</sup>*

AASB S2:B59

AASB S2:29 (a)(i)(3) requires an entity to disclose its absolute gross Scope 3 greenhouse gas emissions generated during the reporting period, including upstream and downstream emissions. An entity that participates in one or more of the following financial activities is required to disclose additional and specific information about its Category 15 emissions or those emissions associated with its investments which is also known as "financed emissions":

- Asset management
- Commercial banking
- Insurance.

AASB S2:[A]8

Financed emissions are defined in AASB S2 as the portion of gross greenhouse gas emissions of an investee or counterparty attributed to the loans and investments made by an entity to the investee or counterparty. These emissions are part of Scope 3 Category 15 (investments) as defined in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

##### *Asset management activities*

AASB S2:B61

An entity that participates in asset management activities discloses:

- Its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions
- For each of the disaggregated items listed in the previous bullet, the total amount of assets under management (AUM) that is included in the financed emissions disclosure, expressed in the presentation currency of the entity's financial statements
- The percentage of the entity's total AUM included in the financed emissions calculation. If the percentage is less than 100%, the entity discloses information that explains the exclusions, including types of assets and associated amount of AUM
- The methodology used to calculate the financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of investments.

<sup>78</sup> The ISSB is proposing certain changes in relation to the disclosure of financed emissions. See *Proposed changes to the disclosure of financed emissions* on page E-46 for more information.

## Source

### Metrics and targets (continued)

#### Climate-related metrics (continued)

##### Greenhouse gases (continued)

##### *Commercial banking activities*

AASB S2:B62

An entity that participates in commercial banking activities discloses:

- Its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class. When disaggregating by:
  - Industry—the entity uses the Global Industry Classification Standard (GICS) 6-digit industry-level code for classifying counterparties, reflecting the latest version of the classification system available at the reporting date
  - Asset class—the disclosure includes loans, project finance, bonds, equity investments and undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it includes an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports
- Its gross exposure to each industry by asset class, expressed in the presentation currency of the entity's financial statements. For:
  - Funded amounts—gross exposure calculated as the funded carrying amounts (before subtracting the loss allowance, when applicable), whether prepared in accordance with Australian Accounting Standards or other GAAP
  - Undrawn loan commitments—the entity discloses the full amount of the commitment separately from the drawn portion of loan commitments.
- The percentage of the entity's gross exposure included in the financed emissions calculation. The entity:
  - If the percentage of the entity's gross exposure included in the financed emissions calculation is less than 100%, discloses information that explains the exclusions, including the type of assets excluded
  - For funded amounts, excludes from gross exposure all impacts of risk mitigants, if applicable.
  - Discloses separately the percentage of its undrawn loan commitments included in the financed emissions calculation
- The methodology the entity used to calculate its financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of its gross exposure.

## Source

### Metrics and targets (continued)

#### Climate-related metrics (continued)

#### Greenhouse gases (continued)

#### *Financial activities associated with the insurance industry*

AASB S2:B63

An entity that participates in financial activities associated with the insurance industry discloses:

- Its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class. When disaggregating by:
  - Industry—the entity uses the Global Industry Classification Standard (GICS) 6-digit industry-level code for classifying counterparties, reflecting the latest version of the classification system available at the reporting date
  - Asset class—the disclosure includes loans, bonds and equity investments, as well as undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it includes an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports
- The gross exposure for each industry by asset class, expressed in the presentation currency of the entity's financial statements. For:
  - Funded amounts—gross exposure calculated as the funded carrying amounts (before subtracting the loss allowance, when applicable), whether prepared in accordance with Australian Accounting Standards or other GAAP
  - Undrawn loan commitments—the entity discloses the full amount of the commitment separately from the drawn portion of loan commitments
- The percentage of the entity's gross exposure included in the financed emissions calculation. The entity:
  - If the percentage of the entity's gross exposure included in the financed emissions calculation is less than 100%, discloses information that explains the exclusions, including type of assets excluded.
  - Discloses separately the percentage of its undrawn loan commitments included in the financed emissions calculation
- The methodology the entity used to calculate its financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of its gross exposure.

AASB S2:AusB63.1

For the purposes of disclosing disaggregated financed emissions by industry, the latest version of the Global Industry Classification Standard (GICS) available at the reporting date means the version that incorporates amendments to August 2024.



Source

Metrics and targets (continued)  
Climate-related metrics (continued)  
Greenhouse gases (continued)



Proposed changes to the disclosure of financed emissions

In April 2025, the ISSB [released](#) an [exposure draft](#) that would amend IFRS S2 *Climate-related Disclosures* to ease the application of certain greenhouse gas emissions disclosures. The AASB [issued](#) an equivalent exposure draft.

The exposure draft proposals would, if implemented:

- Permit entities to limit their disclosure of Scope 3 Category 15 greenhouse gas emissions (i.e. financed emissions) to emissions attributed to loans and investments made by the entity to an investee or counterparty. This would then exclude emissions such as those associated with derivatives, facilitated emissions and insurance-associated emissions
- Amend the requirement for entities with commercial banking or insurance activities to disclose disaggregated greenhouse gas emissions by industry to allow an entity to use an alternative industry classification system to the Global Industry Classification Standard (GICS) in some circumstances
- Require additional disclosures about excluded emissions and alternative industry classification systems.

The ISSB exposure draft was open for comment until 27 June 2025. The ISSB has indicated the effective date so that the amendments would be effective as early as possible and to permit early application.

Inclusion of all 15 categories of Scope 3 emissions

An entity is not required to include all 15 categories in the Greenhouse Gas Protocol Corporate Value Chain Standard in its measure of its Scope 3 greenhouse gas emissions. However, an entity is required to consider all 15 categories and to determine which categories are relevant.

An entity is required to include the GHG emissions associated with each relevant category in its Scope 3 GHG emissions if this disclosure would provide primary users with material information. As a result, the categories that are included in an entity's measure of its Scope 3 GHG emissions and the particular GHG emissions within a category that are included within the measurement depend on the entity's specific facts and circumstances.

The GHG Protocol Corporate Value Chain Standard provides a list of the Scope 3 categories and describes each category (these categories are also listed in Appendix A of AASB S2). To determine which categories are relevant, an entity is required to consider its entire value chain, both upstream and downstream. Although an entity is required to consider the relevance of all 15 categories— including by considering whether information about the GHG emissions within those categories and their measurement would provide material information about an entity's exposure to transition risk—it might find that not all are relevant. In this case, the entity might exclude some categories from the measurement of its Scope 3 GHG emissions.

In considering whether GHG emissions information about those categories is material, the entity assesses whether omitting, misstating or obscuring the specific GHG emissions information related to the category could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports.

AASB S2 requires an entity to disclose the categories included within the entity's measure of its Scope 3 GHG emissions (AASB S2:29(a)(vi)(1)). This disclosure helps primary users understand the sources of an entity's Scope 3 GHG emissions as part of information about an entity's exposure to transition risk.

Greenhouse Gas Emissions educational material (Question 4)

## Source

### Metrics and targets (continued)

#### Climate-related metrics (continued)

##### Greenhouse gases (continued)

###### *Measurement and disclosure based on minimum boundaries in the Greenhouse Gas Protocol Corporate Value Chain Standard*

Greenhouse Gas Emissions educational material (Question 5)

AASB S2 requires that entities disclose material information about their Scope 3 greenhouse gas emissions considering all of the categories set out in the Greenhouse Gas Protocol Corporate Value Chain Standard. Australian Sustainability Reporting Standards also require that entities consider their entire value chain when providing information about the sustainability-related risks and opportunities that could reasonably be expected to affect their prospects. This means that an entity applying AASB S2 cannot limit its measurement and disclosure of Scope 3 GHG emissions on the basis of the minimum boundaries outlined in the Greenhouse Gas Protocol Corporate Value Chain Standard.

###### *Interaction of ASRS with the Greenhouse Gas Protocol Corporate Standard*

Greenhouse Gas Emissions educational material (Question 2)

An entity is required to measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol Corporate Standard unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (AASB S2:29(a)(ii)). The requirements of the Greenhouse Gas Protocol Corporate Standard are applied only to the extent they do not conflict with AASB S2 (AASB S2:B23). This requirement on avoiding conflict is particularly important because AASB S2 includes some requirements related to the measurement of greenhouse gas emissions.

The Greenhouse Gas Protocol Corporate Standard includes requirements and guidance beyond the measurement of greenhouse gas emissions. However, AASB S2 does not reference the Greenhouse Gas Protocol Corporate Standard's requirements beyond measurement. For example, an entity applying AASB S2 is not required to disclose "emissions data for direct CO<sub>2</sub> emissions from biologically sequestered carbon (for example, CO<sub>2</sub> from burning biomass/ biofuels)" separately from the scopes of greenhouse gas emissions—even though this disclosure is required in the Greenhouse Gas Protocol Corporate Standard.

Greenhouse Gas Emissions educational material (Question 6)

Furthermore, there is no conflict between the concept of the reporting entity and the identification of the organisation boundary for the measurement of greenhouse gas emissions as they serve distinct purposes. The reporting entity is the entity about which information is required to be provided and is a conceptual foundation of applying Australian Sustainability Reporting Standards. This requirement ensures that there is connectivity between the entity reporting using Australian Sustainability Reporting Standards and the entity reflected in the related financial statements.

The determination of the organisational boundary—as required by the Greenhouse Gas Protocol Corporate Standard—is used in measuring the GHG emissions of the reporting entity. The organisational boundary affects which operations' direct greenhouse gas emissions are included in the measurement of a reporting entity's Scope 1 greenhouse gas emissions, and how greenhouse gas emissions of the reporting entity are classified between scopes.

AASB S2 requires an entity to use the Greenhouse Gas Protocol Corporate Standard to measure greenhouse gas emissions except in limited circumstances. In measuring greenhouse gas emissions in accordance with the Greenhouse Gas Protocol Corporate Standard, AASB S2 requires an entity to select either the equity share approach or the control approach. The Greenhouse Gas Protocol Corporate Standard refers to these approaches as "consolidation approaches" and AASB S2 refers to these approaches as "measurement approaches".

## Source

### Metrics and targets (continued)

#### Climate-related metrics (continued)

##### Exposure to climate-related risks and opportunities

AASB S2:29(b)-(d)

The entity discloses:

- The amount and percentage of assets or business activities vulnerable to climate-related transition risks
- The amount and percentage of assets or business activities vulnerable to climate-related physical risks
- The amount and percentage of assets or business activities aligned with climate-related opportunities.

AASB S2:30

In preparing disclosures to meet these requirements, an entity uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.

#### Capital deployment

AASB S2:29(e)

The entity discloses the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.

#### Internal carbon prices

AASB S2:29(f)

The entity discloses:

- An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis)
- The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.

#### Remuneration

AASB S2:29(g)

The entity discloses:

- A description of whether and how climate-related considerations are factored into executive remuneration
- The percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.

Disclosing information about an entity's climate-related transition (3.1.3)

#### Impacts of climate-related transition

In disclosing information about the percentage of executive management remuneration linked to metrics related to a strategic goal, the approach might vary throughout the entity's executive population. In such cases, the disclosure of averages or ranges may provide relevant information in the entity's summary of practice.

In describing whether and how remuneration and incentive structures for all employees are aligned with the strategic goal, an entity might determine that it is relevant to include:

- Information about whether remuneration and incentive structures relate to the entire workforce, or only to some roles or teams
- The metric(s) used
- The proportion or number of employees whose performance-related pay is aligned with the metric(s)
- The incentive vehicle in which the metric(s) exists (for example, annual bonus and/or long-term incentive plan).

## Source

AASB S2:31  
AASB S2:B64-B65

## Metrics and targets (continued)

### Climate-related metrics (continued)

#### Considerations in preparing climate-related metrics

In preparing disclosures to fulfil the climate-related metrics requirements, an entity:

- Considers the time horizons over which the effects of climate-related risks and opportunities could reasonably be expected to occur, over the short, medium and long term
- Considers where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities or types of assets)
- Considers the information disclosed in accordance with AASB S2:16(a)–(b) in relation to the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period
- Consider the connections between the information disclosed to fulfil the requirements with the information disclosed in the related financial statements. These connections include consistency in the data and assumptions used—to the extent possible—and linkages between the amounts disclosed and the amounts recognised and disclosed in the financial statements. For example, an entity would consider whether the carrying amount of assets used is consistent with amounts included in the financial statements and would explain the connections between information in these disclosures and amounts in the financial statements.

AASB S2:33

### Climate-related targets

An entity discloses the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets.

AASB S2:33(a)–(h)

#### Information about each target

For each target, the entity discloses:

- The metric used to set the target
- The objectives of the target (for example, mitigation, adaptation or conformance with science-based initiatives)
- The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region)
- The period over which the target applies
- The base period from which progress is measured
- Any milestones and interim targets
- If the target is quantitative, whether it is an absolute target or an intensity target
- How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.

## Source

Disclosing information about an entity's climate-related transition (3.3.2)

Disclosing information about an entity's climate-related transition (3.3.2)

## Metrics and targets (continued)

### Climate-related targets (continued)

#### *Targets associated with an entity's climate-related transition*

Providing details about climate-related targets associated with an entity's climate-related transition will help an entity ensure that users of its general purpose financial reports have the context required to interpret the target. In particular, information that is likely to be useful for users of general purpose financial reports includes:

- Contextual information necessary to understand what is being measured and the objective of the target
- Information about any interim milestones or targets that the entity expects to meet
- Information about how the target was informed by or aligns with any external benchmarks (for example, with the latest international agreement on climate change)
- Information about the expected trajectory for achieving the target (for example, information about whether an entity expects a linear reduction or increase towards a particular target or an s-curve trajectory, or whether an entity foresees obstacles or sudden changes, such as the planned phasing out of specific assets).

#### *Governance, engagement, business and operational metrics and targets*

In disclosing information about targets related to governance, an entity might determine that it is relevant to disclose information about targets in areas such as:

- Remuneration (for example, the proportion of individuals with remuneration linked to progress against the entity's strategic goal)
- Skills
- Competencies
- Training (for example, the percentage of at-risk workers being offered retraining or redeployment).

In disclosing information about targets related to engagement, an entity might consider including any targets related to the nature of engagement activities (for example, the number of engagements with suppliers about their climate-related transitions and the number of engagements with clients to ensure a just transition) as well as the outcome of the engagement activities (for example, evidence of greenhouse gas emissions reductions by suppliers or evidence of social dialogue in clients' climate-related transition plans). These targets might relate to engagements with the value chain.

In disclosing information about any targets related to business and operations, an entity might consider including targets related to:

- Business and operations (for example, energy consumption per unit produced, the number of factories located in flood zones, the percentage of water withdrawn in areas with high water stress or the number of sustainable jobs created)
- Products and services (for example, the proportion or number of products and/or services with no- or low-greenhouse-gas emissions, support the transition towards a lower-carbon economy, or are vulnerable to transition and physical risks).

The entity might also consider including related metrics and targets related to a just transition.

## Source

**Metrics and targets (continued)****Climate-related targets (continued)*****Metrics and targets, relevant to an entity's business, sector and strategy***

In disclosing information about targets, an entity might determine that it is relevant to include targets related to:

- Climate value at risk from physical changes in climate and the transition to a low-greenhouse-gas-emissions economy
- No- or low-greenhouse-gas-emissions capital expenditure
- No- or low-greenhouse-gas-emissions research and development investments
- Revenue from no- or low-greenhouse-gas-emissions products and services
- The proportion of financial assets that are no- or low-greenhouse-gas-emissions financial assets
- The proportion of total long-term capital assets that are no- or low-greenhouse-gas-emissions long-term capital assets
- The percentage of total fuel that is no- or low-greenhouse-gas-emissions
- Procurement from no- or low-greenhouse-gas-emissions suppliers.

***Setting and reviewing targets***

AASB S2:34(a)-(d)

An entity discloses information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:

- Whether the target and the methodology for setting the target has been validated by a third party
- The entity's processes for reviewing the target
- The metrics used to monitor progress towards reaching the target
- Any revisions to the target and an explanation for those revisions

***Performance***

AASB S2:35

An entity discloses information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.

***Greenhouse gas emissions targets***

AASB S2:36 (a)-(d)

For each greenhouse gas emissions target, an entity discloses:

- Which greenhouse gases are covered by the target
- Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target
- Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target
- Whether the target was derived using a sectoral decarbonisation approach.

***Gross and net greenhouse gas emissions targets***

AASB S2:B68

If an entity has a greenhouse gas emissions target, the entity is required to specify whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. Gross greenhouse gas emissions targets reflect the total changes in greenhouse gas emissions planned within the entity's value chain. Net greenhouse gas emissions targets are the entity's targeted gross greenhouse gas emissions minus any planned offsetting efforts (for example, the entity's planned use of carbon credits to offset its greenhouse gas emissions).

AASB S2:B69

If an entity has a net greenhouse gas emissions target it is required to also disclose a gross greenhouse gas emissions target. For the avoidance of doubt, if the entity discloses a net greenhouse gas emissions target, this target cannot obscure information about its gross greenhouse gas emissions targets.

## Source

### Metrics and targets (continued)

#### Climate-related targets (continued)

##### *Gross and net greenhouse gas emissions targets (continued)*

AASB S2:36(e)(i)-(iv)

An entity discloses its planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity discloses information including,

- The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits
- Which third-party scheme(s) will verify or certify the carbon credits
- The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal
- Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).

AASB S2:Aus37.1

In identifying and disclosing the metrics used to set and monitor progress towards reaching a target, an entity refers to and considers the applicability of cross-industry metrics\*.

*\* See Compliance with IFRS S2 on page E-44 for additional information for entities seeking their sustainability report to be compliant with IFRS S2.*

AASB S2:B70

##### **Carbon credits**

AASB S2:36(e) requires an entity to describe its planned use of carbon credits—which are transferable or tradeable instruments—to offset emissions to achieve any net greenhouse gas emissions targets the entity has set, or any it is required to meet by law or regulation. Any information about the planned use of carbon credits clearly demonstrates the extent to which these carbon credits are relied on to achieve the net greenhouse gas emissions targets.

AASB S2:B71

In accordance with paragraph 36(e), an entity is required to disclose only its planned use of carbon credits. However, as part of this disclosure, the entity might also include information about carbon credits it has already purchased that the entity is planning to use to meet its net greenhouse gas emissions target, if the information enables users of general purpose financial reports to understand the entity's greenhouse gas emissions target.

Greenhouse Gas  
Emissions educational  
material (Question 11)

##### **Requirement to set greenhouse gas emissions targets**

AASB S2 does not require entities to set greenhouse gas emissions targets. However, AASB S2 requires an entity to disclose information about any greenhouse gas emissions targets the entity has set.

Source

Greenhouse Gas  
Emissions educational  
material (Question 12)

Metrics and targets (continued)  
Climate-related targets (continued)

**Specific information on net greenhouse gas emissions targets**

The requirement for an entity to separately provide the associated gross greenhouse gas emissions targets when it has a net GHG emissions target enables primary users of general purpose financial reports to understand the entity's efforts to reduce its gross greenhouse gas emissions and its net greenhouse gas emissions.

If an entity sets net greenhouse gas emissions targets and plans to use carbon credits to achieve the target, the entity is required to disclose additional information about the use of carbon credits. This information is designed to provide transparency about the entity's planned use of carbon credits and information about those carbon credits.

AASB S2 also requires an entity to disclose any other factors necessary for primary users to understand the credibility and integrity of the carbon credits the entity plans to use, including, for example, information about assumptions regarding the permanence of the carbon offset. This disclosure requirement was included in response to stakeholders identifying "permanence" and "additionality" as two essential features for assessing the quality of carbon offset schemes.

"Permanence" refers to how long the greenhouse gas emissions will be safely removed from the atmosphere. "Additionality" refers to whether a particular investment has brought about any new climate benefits that would not have occurred without the investment. Although these metrics can be useful, assessing permanence and additionality is complex. Therefore, AASB S2 does not require an entity to disclose its assessment of permanence and additionality. Instead, the entity is required to disclose information about any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the credits the entity plans to use. This requirement was included to provide users with information that enables them to assess additionality and permanence.



## Source

ASSA 5010:10(a)

**Other disclosures****Assurance requirements**

For the First Year of Reporting the auditor conducts a review over the disclosures (including related general disclosures in Appendix D to AASB S2) relating to governance, strategy (specific to risks and opportunities) and Scope 1 and Scope 2 greenhouse gas emissions (as identified earlier in this document).

Accordingly, where disclosures in this section (e.g. judgements and measurement uncertainties) or elsewhere in the report are made directly in relation to items that are subject to assurance in an entity's first year of mandatory sustainability reporting, those disclosures will also be subject to assurance.

AASB S2:[D]72

**Statement of compliance**

An entity whose climate-related financial disclosures comply with all the requirements of AASB S2 makes an explicit and unreserved statement of compliance. An entity cannot describe climate-related financial disclosures as complying with AASB S2 unless they comply with all the requirements of AASB S2.

AASB S2:AusC1.1

**Early application**

An entity applies AASB S2 for annual reporting periods beginning on or after 1 January 2025\*. Earlier application is permitted. If an entity applies AASB S2 earlier, it discloses that fact.

*\* Note: Although AASB S2 is applicable for annual reporting periods beginning on or after 1 January 2025, entities need to consider their reporting mandate under the Corporations Act when determining their specific mandatory reporting period. More information can be found in section B2.1.3 "Phased approach to implementation".*

AASB S2:[D]22

**Financial statements**

The entity identifies the financial statements to which the climate-related disclosures relate.

AASB S2:[D]66

**Changes in reporting period**

When an entity changes the end of its reporting period and provides climate-related financial disclosures for a period longer or shorter than 12 months, it discloses:

- The period covered by the climate-related financial disclosures
- The reason for using a longer or shorter period
- The fact that the amounts disclosed in the climate-related financial disclosures are not entirely comparable.

AASB S2:[D]74

**Judgements**

An entity discloses information to enable users of general purpose financial reports to understand the judgements, apart from those involving estimations of amounts, that the entity has made in the process of preparing its climate-related financial disclosures and that have the most significant effect on the information included in those disclosures.

AASB S2:[D]75

In the process of preparing climate-related financial disclosures, an entity makes various judgements, apart from those involving estimations, that can significantly affect the information reported in the entity's climate-related financial disclosures. For example, an entity makes judgements in:

- Identifying climate-related risks and opportunities that could be reasonably expected to affect the entity's prospects
- Determining which sources of guidance to apply
- Identifying material information to include in the climate-related financial disclosures
- Assessing whether an event or change in circumstances is significant and requires reassessment of the scope of all affected climate-related risks and opportunities throughout the entity's value chain.

## Source

### Other disclosures (continued)

#### Measurement uncertainty

AASB S2:[D]77

An entity discloses information to enable users of general purpose financial reports to understand the most significant uncertainties affecting the amounts reported in its climate-related financial disclosures.

AASB S2:[D]78

An entity:

- Identifies the amounts that it has disclosed that are subject to a high level of measurement uncertainty
- In relation to each amount identified, discloses information about:
  - The sources of measurement uncertainty—for example, the dependence of the amount on the outcome of a future event, on a measurement technique or on the availability and quality of data from the entity's value chain
  - The assumptions, approximations and judgements the entity has made in measuring the amount.

AASB S2:[D]80

The requirement for an entity to disclose information about the uncertainties affecting the amounts reported in climate-related financial disclosures relates to the estimates that require the entity's most difficult, subjective or complex judgements. As the number of variables and assumptions increases, those judgements become more subjective and complex, and the uncertainty affecting the amounts reported in the climate-related financial disclosures increases accordingly.

AASB S2:[D]81

The type and extent of the information an entity might need to disclose vary according to the nature of the amount reported in the climate-related financial disclosures—the sources of and the factors contributing to the uncertainty and other circumstances. Examples of the type of information an entity might need to disclose are:

- The nature of the assumption or other source of measurement uncertainty
- The sensitivity of the disclosed amount to the methods, assumptions and estimates underlying its calculation, including the reasons for the sensitivity
- The expected resolution of an uncertainty and the range of reasonably possible outcomes for the disclosed amount
- An explanation of changes made to past assumptions concerning the disclosed amount, if the uncertainty remains unresolved.

#### Subsequent events and conditions

AASB S2:[D]68

An entity discloses information about transactions, other events and conditions that occur after the end of the reporting period, but before the date on which the climate-related financial disclosures are authorised for issue, if non-disclosure of that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports.

AASB S2:[D]67

If, after the end of the reporting period but before the date on which the climate-related financial disclosures are authorised for issue, an entity receives information about conditions that existed at the end of the reporting period, it updates disclosures that relate to those conditions in the light of the new information.

## Source

### Other disclosures (continued)

#### Errors

AASB S2:[D]83

An entity corrects material prior period errors by restating the comparative information for the prior period(s) disclosed under it is impracticable to do so.

AASB S2:[D]B59

When it is impracticable to determine the effect of an error on all prior periods presented, the entity restates the comparative information to correct the error from the earliest date practicable.

AASB S2:[D]B58

If an entity identifies a material error in its prior period(s) climate-related financial disclosures, it discloses:

- The nature of the prior period error
- The correction, to the extent practicable, for each prior period disclosed
- If correction of the error is impracticable, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

#### Nature of errors

AASB S2:[D]84

Prior period errors are omissions from and misstatements in the entity's climate-related financial disclosures for one or more prior periods. Such errors arise from a failure to use, or the misuse of, reliable information that:

- Was available when the climate-related financial disclosures for that period(s) were authorised for issue
- Could reasonably be expected to have been obtained and considered in the preparation of those disclosures.

AASB S2:[D]B56

Errors include the effects of mathematical mistakes, mistakes in applying the definitions for metrics or targets, oversights or misinterpretations of facts, and fraud.

#### Information excluded due to legal prohibitions

AASB S2:[D]B33

An entity need not disclose information otherwise required by an Australian Sustainability Reporting Standard if law or regulation prohibits the entity from disclosing that information.

AASB S2:[D]B33

If an entity omits material information where it is prohibited by a law or regulation from disclosing that information, it identifies the type of information not disclosed and explains the source of the restriction.

#### Additional disclosure where Australian Sustainability Reporting Standards are insufficient

AASB S2:[D]B26

An entity discloses additional information when compliance with the specifically applicable requirements in an Australian Sustainability Reporting Standard is insufficient to enable users of general purpose financial reports to understand the effects of climate-related risks and opportunities on the entity's cash flows, its access to finance and cost of capital over the short, medium and long term.

# Assurance report

## Source

### Audit/review of information in the sustainability report



#### Guidance on the assurance report

On 16 September 2025, ASIC released [FAQs: Review or audit of sustainability reports](#), providing guidance to:

- Auditors in understanding their obligations in respect of the sustainability report under the Corporations Act
- Preparers of sustainability reports to understand their obligations in relation to obtaining a review or audit of the sustainability report, the appointment, removal and resignation of auditors and who can conduct a review or audit of the sustainability report.

In addition, the AUASB is progressively populating its [sustainability assurance implementation support pages](#), which include [frequently asked questions](#) and [illustrative assurance reports](#).

Entities should continue to monitor developments in this area as they prepare their sustainability reports.

#### Core requirements

The Corporations Act requires:

- Sustainability reports for financial years commencing on or after 1 July 2030 to be audited (s.301A)
- The Auditing and Assurance Standards Board (AUASB) to make auditing standards for financial years commencing 1 January 2025 to 30 June 2030 that specify the extent to which information in the sustainability report must be audited and/or reviewed (s.1707E(2)).

#### First year of reporting

For an entity's first year of reporting, the auditor conducts a review over the disclosures (including related general disclosures in Appendix D to AASB S2) relating to:

- Governance in accordance with AASB S2:6
- Strategy (risks and opportunities) in accordance with AASB S2:9(a), 10(a) and 10(b)
- Scope 1 and Scope 2 greenhouse gas emissions in accordance with AASB S2:29(a)(i)(1)-(2) and AASB S2:29(a)(ii)-(v)
- Any statement (by a "Group 3" entity) that there were no material risks or opportunities relating to climate and how that applies to the entity under s.296B(1)(c)-(d) or any similar statement otherwise made in the sustainability report.

For these purposes, "first year of reporting" is the first financial year commencing:

- For "Group 1" entities – from 1 January 2025 to 30 June 2026
- For "Group 2" entities – 1 July 2026 to 30 June 2027
- For "Group 3" entities – 1 July 2027 to 30 June 2028.

ASSA 5010:6  
s.301A  
s.1707E(2)

ASSA 5010:10(a)

ASSA 5010:9(f)

Source

ASSA 5010:Appendix  
(Footnote)

**Audit/review of information in the sustainability report (continued)**  
**First year of reporting (continued)**

Group 1 entities with years commencing 1 January to 30 June will be subject to the Year 1 provisions twice (e.g. years commencing 1 January 2025 and 1 January 2026). Reporting of Scope 3 emissions is required for years commencing 1 January 2026 to 30 June 2026 for these Group 1 entities, but they will not be subject to assurance.

See section B2.1.5 for more information about the phasing of assurance requirements.

# Core model financial statements



This section contains the core IFRS disclosures that apply to all Tier 1 financial statements. The core model financial statements reproduce the global IFRS model financial statements, and flags Australian-specific considerations arising in relation to the illustrated disclosures using icons and explanations.

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### **Important note - Core model financial statements**

At the time of producing this document, the *December 2025 IFRS Illustrative Financial Statements* had not been published. Therefore, this document does not contain the core model financial statements or appendices 1, 2 and 3.

This document will be updated when the *December 2025 IFRS Illustrative Financial Statements* are published.

In the meantime, entities may wish to refer to the core model financial statements included in the [June 2025 Tier 1 models and reporting considerations](#) publication, available at [www.deloitte.com/au/models](http://www.deloitte.com/au/models).

# Appendix 4 – Australian-specific disclosures



This appendix includes the various reports required under the Corporations Act, additional Australian Accounting Standards disclosures, ASX Listing Rules requirements and ACNC requirements.

## Contents

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# About these disclosures

We have designed these Australian specific illustrative disclosures to be used as a guide, in conjunction with the core model financial statements, to assist most for-profit and not-for-profit Tier 1 entities meet their general financial reporting requirements.

This section contains illustrative disclosures that are suitable for use as a **guide** only and will not be appropriate for use by all entities. Each entity should consider its respective circumstances and develop transparent entity-specific disclosures.



**The illustrative disclosures in this appendix only illustrate Australian specific disclosures and requirements that are in addition to, or instead of, the disclosures included in the core model financial statements.**

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**Section *About the model financial report* (starting on page 1) of the *Core model financial statements* illustrates how a complete financial report can be developed using the information in this appendix and the core model financial statements.**

---

## Not-for-profit and public sector entities

Illustrative disclosures and guidance specific to not-for-profit and public sector entities have been highlighted in this document by being shaded using teal colouring as illustrated here.



# Appendix 4E

Source

Appendix 4E, Item 1  
Appendix 4E, Item 1

Current reporting period  
Prior corresponding period

Year ended 31 December 2025  
Year ended 31 December 2024

Results for announcement to the market

Appendix 4E, Item 2,  
Footnote

The information below required by Appendix 4E, Items 2.1-2.6 must be placed at the beginning of the report. The other information required by Appendix 4E may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately.

Key information

|                       |                                                                          |           | % Change |    | \$'000   |
|-----------------------|--------------------------------------------------------------------------|-----------|----------|----|----------|
| Appendix 4E, Item 2.1 | Total revenue from ordinary activities                                   | [Up/down] | ___ %    | to | [Amount] |
| Appendix 4E, Item 2.2 | Profit (loss) from ordinary activities after tax attributable to members | [Up/down] | ___ %    | to | [Amount] |
| Appendix 4E, Item 2.3 | Net profit (loss) for the period attributable to members                 | [Up/down] | ___ %    | to | [Amount] |

Appendix 4E, Item 7

Details relating to dividends

|                       |                                                            | Amount per share | Franking <sup>(1)</sup> | Total amount \$'000 |
|-----------------------|------------------------------------------------------------|------------------|-------------------------|---------------------|
| Appendix 4E, Item 2.4 | Final dividend paid on 7 April 2025 (prior year)           | ___ cents        | ___ %                   | [Amount]            |
| Appendix 4E, Item 2.4 | Interim dividend paid on 6 October 2025                    | ___ cents        | ___ %                   | [Amount]            |
| Appendix 4E, Item 2.4 | Final dividend declared on 23 February 2026 <sup>(2)</sup> | ___ cents        | ___ %                   | [Amount]            |

Appendix 4E, Item 2.5      Record date for determining entitlements to dividends      23 March 2026

Appendix 4E, Item 2.6      (1) All dividends are fully franked at a 30% tax rate.

Appendix 4E, Item 7      (2) The final dividend is payable on 6 April 2026 and is not recognised as a liability as at 31 December 2025.

Appendix 4E, Item 2.4      If no dividends have been paid or proposed, the entity is required to make a statement that it is not proposed to pay dividends.

Additional information

Appendix 4E, Item 2.6

An entity is required to provide a brief explanation of any figures provided in relation to Items 2.1 to 2.4 necessary to enable the figures to be understood.

For example, an entity may include information including:

- Abnormal items of income and expense during the period or corresponding period
- Details of discontinued operations
- Additional line items or subtotals explaining the composition of amounts.

## Source

**Results for announcement to the market (continued)****Additional requirements for dividends and distributions**

Appendix 4E, Item 7

Item 7 of Appendix 4E requires the disclosure of details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.

**Dividend or distribution reinvestment plans**

Appendix 4E, Item 8

The entity is required to provide details of any dividend or distribution reinvestment plans in operation and the last date for receipt of an election notice for participation in any dividend or distribution reinvestment plan.

**Commentary on results for the period**

Appendix 4E, Item 14

The preliminary final report must contain a commentary on results for the period that is sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of:

- The earnings per security and the nature of any dilution aspects
- Returns to shareholders including distributions and buy-backs
- Significant features of operating performance
- The results of segments that are significant to an understanding of the business as a whole
- A discussion of trends in performance
- Any other factors which have affected the results in the period or which are likely to affect the results in the future including those where the effect could not be quantified.

**Net tangible assets per share**

Appendix 4E, Item 9

|                               | <b>31/12/2025</b> | <b>31/12/2024*</b> |
|-------------------------------|-------------------|--------------------|
| Net tangible assets per share | ___ cents         | ___ cents          |

\* The information for 31 December 2024 has been restated for the *[describe the change in accounting policy or error]* as explained in Note 2 to the attached financial statements.

**Calculation of net tangible assets per share**

Appendix 4E does not provide explicit guidance on how net tangible assets are calculated, although that term is used in many places in the ASX Listing Rules in addition to Appendix 4E. The following information may be used as guidance:

- [Chapter 19](#) of the ASX Listing Rules provides a definition of “net tangible asset backing” for the purposes of disclosure by listed investment entities under ASX Listing Rules 4.10.2 and 4.12
- The [ASX Clear \(Futures\) Operating Rules](#) provides a definition of net tangible assets (in Part 1) for the purposes of those rules. The definition references “excluded assets” which include intangible assets (within the meaning of AASB 138 *Intangible Assets*, including goodwill) and deferred tax assets as being excluded from net tangible assets for the purposes of those rules
- The ASX [Introduction to Investment Products](#) publication explains that net tangible assets of listed investment companies and trusts are the assets of the entity less any liabilities and intangible assets.

It is understood that the ASX will accept a lease right-of-use asset being classified as tangible or intangible following the character of the underlying asset. So, for example, a lease right-of-use asset associated with a lease of plant and equipment would be classified as tangible for the purposes of the net tangible assets per share calculation.

Where judgement is applied in determining the net tangible assets per share, additional explanation may be required.

## Source

### Financial statements

The preliminary financial report must contain:

- Appendix 4E, Item 3
  - A statement of comprehensive income together with notes to the statement, prepared in compliance with AASB 101 *Presentation of Financial Statements*, or the equivalent foreign accounting standard
- Appendix 4E, Item 4
  - A statement of financial position together with notes to the statement. The statement may be condensed but must report as line items each significant class of asset, liability and equity element with appropriate subtotals
- Appendix 4E, Item 5
  - A statement of cash flows together with notes to the statement. The statement may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 107 *Statement of Cash Flows*, or equivalent foreign accounting standard
- Appendix 4E, Item 6
  - A statement of retained earnings, or a statement of changes in equity, showing movements.

Appendix 4E, Item 12 The preliminary financial report must also contain any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Appendix 4E, Item 2, Footnote With the exception of the information required by Appendix 4E, Item 2, the information required by Appendix 4E may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately. Accordingly, where the financial report is included with the preliminary final report, the above information is not required to be duplicated in the preliminary final report. If the entity does not include an attached financial report, then the financial statements should be included in the preliminary financial report.

### Entities over which control has been gained or lost during the period

Appendix 4E, Item 10 Details provided must include the following:

- Name of the entity
- The date of the gain or loss of control
- Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

### Details of associates and joint ventures

Appendix 4E, Item 11 Details to be provided include:

- Name of the associate or joint venture
- Details of the reporting entity's percentage holding in each of these entities
- Where material to an understanding of the report – aggregated share of profits (losses) of these entities, details of contributions to net profit for each of these entities, with comparative figures for each of these disclosures for the previous corresponding period.

### Foreign entities

Appendix 4E, Item 13 Foreign entities are required to disclose which set of accounting standards is used in compiling the report (e.g. IFRS Accounting Standards).

## Source

### Information about the audit

|                      |                                                                                                                                                                                                                                                                       |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Appendix 4E, Item 15 | This preliminary final report is based on the attached financial report which has been audited by the Group's auditors, Deloitte Touche Tohmatsu. A copy of Deloitte's unqualified audit report can be found on page 235.                                             |
| Appendix 4E, Item 15 | The Appendix 4E is required to include a statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.                             |
| Appendix 4E, Item 16 | If the accounts have not been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph. |
| Appendix 4E, Item 17 | If the accounts have been audited and contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.                   |

# Directors' report

## Source

s.292(1)  
s.298(1)

A company, registered scheme, registrable superannuation entity<sup>79</sup>, sub-fund of a CCIV<sup>80</sup> or disclosing entity must prepare a directors' report for each financial year.

s.1308(7)

Where the directors' report contains information in addition to that required by the Corporations Act, the information will be regarded as part of the directors' report for the purposes of s.1308 "False or misleading statements".

### Transfer of information from the directors' report into another document forming part of the annual report

s.300(2)

Information required by s.300 need not be included in the directors' report where such information is disclosed in the financial statements.

ASIC-CI 2016/188

[\*ASIC Corporations \(Directors' Report Relief\) Instrument 2016/188\*](#) allows flexibility where directors' report information required by the Corporations Act is located. Certain information can be transferred to another document that accompanies the directors' report and financial statements (e.g. the "front section" of the annual report), or, in some cases, to be transferred to the financial statements themselves.

This flexibility is designed so that related information is located in the same place, allowing it to be presented more effectively. For instance, information about the directors and their qualifications, experience and special responsibilities may be included elsewhere in the annual report instead of the directors' report itself, and the auditor's independence declaration can be presented outside of the directors' report.

Conditions for applying the relief include:

- The directors' report must include a cross reference to the page or pages where the information has been transferred
- The directors' report and financial report must be lodged with ASIC together with the transferred information (in other words, the entire report which contains the transferred information is lodged)
- The directors' report and financial report should not be distributed without the transferred information.

Not all information can be transferred from the directors' report under the Corporations Instrument. For example, the remuneration report must be presented as part of the directors' report. Entities wishing to apply the relief should familiarise themselves with the Corporations Instrument to determine if particular information can be transferred, and if so, where that information can be transferred.

Where information is transferred into the financial statements it will be subject to audit.

<sup>79</sup> Registrable superannuation entities should refer to the latest edition of our model superannuation entity model financial report for guidance on preparing directors' reports. These are available at [www.deloitte.com/au/models](http://www.deloitte.com/au/models).

<sup>80</sup> The requirements in s.292(1) and s.298(1) for the preparation of a directors' report extends to each sub-fund of a CCIV by virtue of s.1232C(1)(b). S.1232(1) and s.1232C(4) modify the meaning of a director to instead to refer to the corporate director of the CIV or a director of the corporate director of the CCIV.

Source

The directors of International GAAP Holdings Limited present the annual report of the company for the financial year ended 31 December 2025. To comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Information about the directors

The names and particulars of the directors of the company during or since the end of the financial year are:

s.300(1)(c),  
s.300(10)(a)

Name [all entities]

Particulars [public companies only]

Mr C.J. Chambers

Chairman, Chartered Accountant, appointed non-executive director in November 2019 and appointed chairman of the board in May 2022.

*[Describe the director's experience e.g. Mr C.J. Chambers has [number of years] experience in the [sectors/industry] holding various senior management and executive level roles with the most recent being [describe the experience] from [date] to [date]. Prior to this Mr C.J. Chambers [describe the directors experience].*

Mr C.J. Chambers is also a director of Eastwood Limited. He is a member of the audit committee and the risk management committee.

Mr P.H. Taylor

Chief Executive Officer, appointed executive director in February 2021. Since joining [Company] in [date], Mr P.H. Taylor has held roles in [describe the experience]. Mr P.H. Taylor was previously the CEO at a large manufacturing company.

Ms F.R. Ridley

Chartered Accountant, appointed non-executive director in June 2022.

*[Describe the director's experience e.g. Ms F.R. Ridley has [number of years] experience in the [sectors/industry]. Between [date] to [date] Ms F.R. Ridley was Head of the [Division A] of [Land A] at [Company]. Prior to this Ms F.R. Ridley [describe the directors experience].*

Ms F.R. Ridley is a member of the nomination and remuneration committee, and of the audit committee.

Mr A.K. Black

Industrial Engineer, appointed non-executive director on 8 January 2025. He previously held various senior management positions in manufacturing and wholesale companies.

Ms B.M. Stavrinidis

Director of Merchant Bank Limited, appointed non-executive director in May 2020 in a non-executive capacity.

*[Describe the director's experience e.g. Ms B.M. Stavrinidis has [number of years] experience in the [sectors/industry] holding various senior management and executive level roles with the most recent being [describe the experience] from [date] to [date]. Prior to this Ms B.M. Stavrinidis [describe the directors experience].*

Ms B.M. Stavrinidis is a member of the nomination and remuneration committee, the audit committee, and the risk management committee.

Source

Information about the directors (continued)

| Name [all entities] | Particulars [public companies only]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr W.K. Flinders    | <p>Practicing Solicitor appointed non-executive director in October 2017 and resigned during the year.</p> <p>[Describe the director's experience e.g. Mr W.K. Flinders has [number of years] experience in the [sectors/industry]. Between [date] to [date] Mr W.K. Flinders was Head of the [Division A] of [Land A] at [Company]. Prior to this Mr W.K. Flinders [describe the directors experience].</p> <p>Mr W.K. Flinders was a member of the nomination and remuneration committee until his resignation.</p>                                                                             |
| Ms S.M. Saunders    | <p>Practicing Solicitor, appointed non-executive director on 12 February 2025 and resigned after year end.</p> <p>[Describe the director's experience e.g. Ms S.M. Saunders has [number of years] experience in the [sectors/industry] holding various senior management and executive level roles with the most recent being [describe the experience] from [date] to [date]. Prior to this Ms S.M. Saunders [describe the directors experience].</p> <p>Ms S.M. Saunders was a member of the nomination and remuneration committee and the risk management committee until her resignation.</p> |

|              |                                                                                                                                                                                                                                                                                                                                                                      |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| s.300(1)(c)  | <p>The above named directors held office during the whole of the financial year and since the end of the financial year except for:</p> <ul style="list-style-type: none"><li>Mr W.K. Flinders – resigned 8 January 2025</li><li>Ms S.M. Saunders – appointed 12 February 2025, resigned 21 January 2026</li><li>Mr A.K. Black – appointed 8 January 2025.</li></ul> |
| s.300(10)(a) | Particulars include each director's qualifications, experience and special responsibilities.                                                                                                                                                                                                                                                                         |
| s.300(10)    | A public company that is a wholly-owned subsidiary of another company is not required to disclose each director's qualifications, experience and special responsibilities, the number of meetings of the board of directors and each board committee, or the qualifications and experience of each company secretary.                                                |
| s.300(11)(e) | <p><b>Directorships of other listed companies [listed companies only]</b></p> <p>Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:</p>                                                                                                                                       |

| Name             | Company          | Period of directorship |
|------------------|------------------|------------------------|
| Mr C.J. Chambers | Eastwood Limited | Since 2021             |
|                  | Yarwood Limited  | 2022 – 2025            |

Former partners of the audit firm

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| s.300(1)(ca) | <p>The directors' report must disclose the name of each person who:</p> <ul style="list-style-type: none"><li>Is an officer of the company, registered scheme or disclosing entity at any time during the year</li><li>Was a partner in an audit firm, or a director of an audit company, that is an auditor of the company, disclosing entity or registered scheme for the year</li><li>Was such a partner or director at a time when the audit firm or the audit company undertook an audit of the company, disclosing entity or registered scheme.</li></ul> |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Source

s.300(11)(a), (b), (c) **Directors' shareholdings [listed companies only]<sup>81</sup>**  
The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the company or a related body corporate as at the date of this report:

| International GAAP Holdings Limited        |                                                                                                                                                                                                                                                                                                                                        |                      |                          |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|
| Directors                                  | Fully paid ordinary shares Number                                                                                                                                                                                                                                                                                                      | Share options Number | Convertible notes Number |
| C.J. Chambers<br>P.H. Taylor<br>A.K. Black |                                                                                                                                                                                                                                                                                                                                        |                      |                          |
| s.608                                      | Directors are considered to have a relevant interest where the director:                                                                                                                                                                                                                                                               |                      |                          |
|                                            | <ul style="list-style-type: none"><li>Is the holder of the securities</li><li>Has power to exercise, or control the exercise of, a right to vote attached to the securities, or</li><li>Has power to dispose of, or control the exercise of a power to dispose of, the securities.</li></ul>                                           |                      |                          |
| s.608                                      | It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.                                                                                                                                                     |                      |                          |
| s.608, s.609                               | Refer s.608 and s.609 of the Corporations Act for more information about when a person has a relevant interest in a security.                                                                                                                                                                                                          |                      |                          |
|                                            | Although s.300(11)(a)-(c) only requires relevant interests in shares, debentures, and rights or options in shares or debentures to be disclosed, where considered necessary (i.e. to satisfy the information needs of the likely users of the annual report), directors may consider disclosing interests in other equity instruments. |                      |                          |
| s.300(11)(d)                               | For each director who is party to or entitled to a benefit under a contract that confers a right to call for or deliver shares in, or debentures of or interests in a registered scheme made available by the company or a related body corporate, disclosure should be made of such contracts.                                        |                      |                          |

**Remuneration of key management personnel**  
Information about the remuneration of key management personnel is set out in the remuneration report section of this directors' report (starting on page 215). The term "key management personnel" refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity (i.e. group), directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

<sup>81</sup> Although not specifically stated in s.300(11), directors' shareholdings [listed companies only] disclosed in the directors' report should be as at the date of the directors' report. However, in accordance with Regulation 2M.3.03 (e.g. item 18) of the Corporations Regulations, shareholdings of key management personnel in the remuneration report should be as at 31 December 2025 (i.e. the end of the reporting period).



## Source

s.300(1)(d)

Share options granted to directors and senior management

The directors’ report should include details of options that are:

•

Granted over unissued shares or unissued interests during or since the end of the financial year

•

Granted to any of the directors or any of the 5 most highly remunerated officers of the company (other than the directors)

•

Granted to them as part of their remuneration.

s.300(3)

The disclosures required by s.300(1)(d) cover:

•

Options over unissued shares and interests of the company, registered scheme or disclosing entity

•

If consolidated financial statements are required – options over unissued shares and interests of any controlled entity that is a company, registered scheme or disclosing entity.

s.300(5)

The details of an option granted during or since the end of the financial year should include:

•

The identity of the company, registered scheme or disclosing entity granting the option

•

The name of the person to whom the option is granted

•

The number and class of shares or interests over which the option is granted.

s.300(1)(d),  
s.300(3), s.300(5)

During and since the end of the financial year, an aggregate \_\_\_\_\_ share options were granted to the following directors and to the five highest remunerated officers of the company and its controlled entities as part of their remuneration<sup>82</sup>:

| Directors and senior management | Number of options granted | Issuing entity                      | Number of ordinary shares under option |
|---------------------------------|---------------------------|-------------------------------------|----------------------------------------|
| P.H. Taylor                     |                           | International GAAP Holdings Limited |                                        |
| T.L. Smith                      |                           | International GAAP Holdings Limited |                                        |
| W.L. Lee                        |                           | International GAAP Holdings Limited |                                        |
| L.J. Jackson                    |                           | International GAAP Holdings Limited |                                        |
| C.P. Daniels                    |                           | International GAAP Holdings Limited |                                        |
| N.W. Wright                     |                           | International GAAP Holdings Limited |                                        |

s.300(10)(d)

Company secretary [public companies only]

Mr A.B. Grey, Chartered Accountant, held the position of company secretary of International GAAP Holdings Limited at the end of the financial year. He joined International GAAP Holdings Limited in 2023 and previously held the company secretary position at a large manufacturing company. He is a member of the Governance Institute of Australia Ltd.

s.300(10)

Disclosure of the company secretary’s qualifications and experience is not required for a public company which is a wholly-owned controlled entity of another company.

s.299(1)(c),  
AASB 101:138(b)

Principal activities

The consolidated entity’s principal activities during the financial year were the manufacture of electronic equipment and leisure goods, and the construction and renovation of residential properties.

During the financial year the consolidated entity sold its [describe] business. Details of the sale are contained in note 13 and note 52 to the financial statements. During the year the board of directors decided to dispose of the [describe] business. Details of the planned disposal are contained in note 13 to the financial statements.

<sup>82</sup> While s.300A(1)(a) has been amended to remove remuneration disclosures for the five highest remunerated officers in the remuneration report section of the directors' report, disclosure of options granted to such officers as part of their remuneration continues to be required in the general directors' report section in accordance with s.300(1)(d).

## Source

s.299(1)(a), ASX-LR 4.10.17

**Review of operations**

The directors' report must contain a review of the entity's<sup>83</sup> operations during the financial year and the results of those operations. The Corporations Act contains additional general requirements for listed public companies.

s.299A(1), (2)

**Additional requirements for listed companies, listed registered schemes and listed disclosing entities**

The directors' report for a company, registered scheme or disclosing entity that is listed must also contain information that members of the listed entity would reasonably require to make an informed assessment of:

- The operations of the entity
- The financial position of the entity
- The business strategies, and prospects for future financial years, of the entity.

s.299A(3)

The directors' report may omit material that would otherwise be included under s.299A(1)(c) concerning the entity's business strategies and prospects for future financial years, if it is likely to result in unreasonable prejudice to the entity or any entity (including the company, registered scheme or disclosing entity) that is part of the entity. If material is omitted, the report must say so.

ASIC-RG 247

**ASIC Regulatory Guide 247 *Effective disclosure in an operating and financial review***

In preparing this disclosure, entities may wish to refer to [ASIC Regulatory Guide 247 \*Effective disclosure in an operating and financial review\*](#) (RG 247) as it is designed to provide guidance on preparing an operating and financial review (OFR) in the directors' report of a listed entity under s.299A of the Corporations Act.

***Preparing an operating and financial review***

An OFR should:

- Contain information about an entity's operations and financial position, discuss the impact of relevant events throughout the reporting period and provide an overview of business strategies and prospects
- Present a narrative and analysis about the entity's results and financial position
- Contain information that shareholders would reasonably require to make an informed assessment of the entity's operations, financial position and business strategies and prospects for future financial years.

***Operations and financial position***

Information about an entity's operations involves an explanation of the underlying drivers of its results, and of key developments in the reporting period. In this regard, RG 247 outlines that the OFR should:

- Explain the underlying drivers of its results and key developments in the reporting period, and discuss significant factors affecting the entity's results
- Explain the entity's business model and its effect on the entity's operations
- Discuss the results of the key operating segments and major components of the overall result
- Often involve a consideration of the underlying drivers of, and reasons for, the financial position of the entity, and include discussion of exposures not recognised in the financial statements
- Consider the guidance in [ASIC Regulatory Guide 230 \*Disclosing non-IFRS financial information\*](#) (see page 208).

<sup>83</sup> If Australian Accounting Standards require the entity to prepare consolidated financial statements, the review must cover the consolidated entity.

## Source

### **ASIC Regulatory Guide 247 *Effective disclosure in an operating and financial review* (continued)**

#### ***Business strategies and prospects for future financial years***

Information on business strategies and prospects for future financial years should focus on what may affect the future financial performance and position of the entity. RG 247 outlines that the OFR should describe:

- The overall business strategies relevant to the entity's future financial position and performance
- The entity's prospects in terms of future financial performance and financial outcomes

If an entity intends to rely on the unreasonable prejudice exemption in s.299A(3) to omit information, the basis for relying on the exemption needs to be carefully evaluated and established.

#### ***Material business risks***

RG 247 notes that it is likely to be misleading to discuss prospects for future financial years without referring to the material business risks that could adversely affect the achievement of the financial prospects described for those years:

- ASIC considers "material business risks" to mean the most significant areas of uncertainty or exposure, at a whole-of-entity level, that could have an adverse impact on the achievement of the financial performance or outcomes disclosed in the OFR. Equally, it may be appropriate to disclose factors that could materially improve the financial prospects disclosed
- An OFR should (1) only include a discussion of the risks that could affect the entity's achievement of the financial prospects disclosed, taking into account the nature and business of the entity and its business strategy, and (2) not contain an exhaustive list of generic risks that might potentially affect a large number of entities
- An OFR should include a discussion of environmental, social and governance risks where those risks could affect the entity's achievement of its financial performance or outcomes disclosed, taking into account the nature and business of the entity and its business strategy. Examples of the risks that could have material impact on the future financial performance of a particular entity include: climate change, digital disruption, new technologies, geopolitical risks and cyber security.

#### ***Presenting the narrative and analysis***

Directors and preparers of an OFR should present the narrative and analysis in a way that maximises its usefulness to shareholders. RG 247 notes that as a matter of good practice, an OFR should present information in a single section and in a manner that is:

- Complimentary to and consistent with the annual financial report
- Balanced and unambiguous
- Clear, concise and effective.

## Source

### **ASIC Regulatory Guide 280 *Sustainability reporting*** ***Sustainability-related financial information in the OFR***

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASIC RG 280.122              | The objectives of the OFR requirements are to provide members with an overarching narrative and analysis that supplements the financial report and, where required, the sustainability report to the extent required to satisfy s.299A. It assists members in understanding the operations, financial position, business strategies and prospects of an entity.                                                                                                                                                                                                                                                                                                                                                                                         |
| ASIC-RG 280.123<br>s.299A(1) | Listed entities must disclose sustainability-related financial information, including climate-related financial information, if it would be reasonably required by members in making an informed assessment of the entity's operations, financial position, business strategies and prospects for future financial years.                                                                                                                                                                                                                                                                                                                                                                                                                               |
| ASIC-RG 280.124              | When disclosing sustainability-related financial information in the OFR entities are encouraged to adopt relevant definitions from AASB S1 and AASB S2 where those terms are used in the OFR and apply the principles for disclosing useful sustainability-related financial information from those standards when disclosing sustainability-related financial information in the OFR.                                                                                                                                                                                                                                                                                                                                                                  |
| ASIC-REP 809:76              | The extent to which it is appropriate to include sustainability-related information in the OFR and the level of detail that should be included, depends on the nature of the entity's business and other relevant circumstances. Where climate-related financial disclosures are included in the OFR to satisfy s.299A requirements, these should be contextualised within the overarching summary of the entity's operations, financial position, and business strategies and prospects for future financial years.                                                                                                                                                                                                                                    |
| ASIC RG 280.125              | <b><i>Interaction between the OFR and sustainability report</i></b><br>A sustainability report is a separate report to both the directors' report and annual financial report under s314(1)(a). Therefore, the sustainability report cannot form part of a directors' report, including the OFR under s.299A(1)(c).                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| ASIC RG 280.128              | The Corporations Act may require a listed reporting entity to disclose strategy, risk and opportunity-related information in both the OFR and sustainability report. This is because the disclosure of: <ul style="list-style-type: none"> <li>• Business strategies and prospects for future financial years is required under s.299A(1)(c). This may include opportunities and material business risks to prospects</li> <li>• Information about climate-related financial risks and opportunities is required under s296D(1)(a)</li> <li>• Information about the climate-related strategy of the reporting entity in relation to those risks and opportunities and climate-related metrics and targets is required under s.296D(1)(c)(i).</li> </ul> |
| ASIC RG 280.129              | To the extent required to satisfy s.299A, the OFR may play an expanded role in situating the specific climate-related strategies and material financial risks and opportunities relating to climate that are disclosed in a listed reporting entity's sustainability report, within the broader context of the listed reporting entity's corporate strategy (including risks and opportunities) and prospects for future financial years.                                                                                                                                                                                                                                                                                                               |

## Source

### ASX-GN 10

#### **ASX Guidance Note 10 Review of Operations and Activities: Listing Rule 4.10.17 and G100's Guide to Review of Operations and Financial Condition**

In addition, entities may wish to refer to [ASX Guidance Note 10 Review of Operations and Activities: Listing Rule 4.10.17](#) and to the G100's *Guide to Review of Operations and Financial Condition* reproduced as an attachment to Guidance Note 10, providing guidance on the form and content of the entity's review of operations and the results of those operations, including specific guidance on items which might be appropriately included in such a review.

It is recommended that the review should provide users, being shareholders, prospective investors and other interested stakeholders, an understanding of the entity by providing short and long-term analysis of the business as seen through the eyes of the directors. As such, the review should aim to meet the information needs of users of financial reports relating to the current reporting period and provide them with a basis for forming a view as to likely future performance in the context of the strategies of the entity for achieving long-term value creation and known trends in performance. This requires that the review contain a discussion of the operations of the period, including an explanation of unusual or infrequent events and transactions, and an analysis of the opportunities and risks facing the entity, together with the planned approach to managing those opportunities and risks. Given this context, preparers of annual reports are encouraged to provide:

- An overview of the entity and its strategy
- A review of operations, considering both short and longer-term value creation in the context of the entity's strategy
- Information on investments made to enhance future value creating potential
- A review of the entity's financial condition
- An overview of risk management and governance practices.

This is aimed at anchoring the review in a strategic context of how the entity is aiming to enhance shareholder value, both in the short and long-term. This includes discussion of both financial and non-financial elements of performance, including analysis using relevant financial and non-financial key performance indicators. The latter may include sustainability related indicators. The recommended contents of the review include:

- Entity overview and strategy:
  - Explaining the objectives of the entity and how they are to be achieved
  - Including a discussion and analysis of key financial and non-financial performance indicators used by management in their assessment of the entity and its performance (including relevant sustainability performance indicators)
  - Discussing the main factors and influences that may have a major effect on future results (including potential longer-term effects), whether or not they were significant in the period under review. This may include discussion of market opportunities and risks; competitive advantage; changes in market share or position; economic factors; key customer and other relationships; employee skills and training; environmental, occupational health and safety aspects; significant legal issues; and innovation and technological developments
- Review of operations:
  - Discussing the main activities of the entity, including significant features of operating performance for the period under review. It should cover all aspects of operations, focusing on the entity as a whole "through the eyes of the directors". It should not be boilerplate, and should cover significant financial and non-financial aspects of the entity's performance in the period. Consideration should be given to unusual or infrequent events or transactions, including material acquisitions or disposals, major sources of revenues and expenses, and changes in factors which affect the results to enable users to assess the significance of the ongoing and core activities of the entity to identify the sustainability of performance over the longer-term

## Source

### ASX Guidance Note 10 Review of Operations and Activities: Listing Rule 4.10.17 and G100's Guide to Review of Operations and Financial Condition (continued)

Providing the overall return attributable to shareholders in terms of dividends and increases in shareholders' funds, including a commentary on the comparison between the results of the financial year and dividends, both in total and in per share terms, and indicating the directors' overall distribution policy

- Providing information on investments made for future performance, including capital expenditure and other expenditure enhancing future performance potential. This may include marketing and advertising spend to enhance brand loyalty and reputation; staff training and development programmes; quality improvement and health and safety programs; customer relationship management; and expansion of production capacity
- Review of financial conditions:
  - Capital structure of the entity including capital funding and treasury policies and objectives
  - Cash from operations and other sources of capital
  - Discussion of the liquidity and funding at the end of the period under review, including restrictions on funds transfer, covenants entered into and the maturity profile of borrowings
  - Discussing the resources available to the entity not reflected in the statement of financial position, for example mineral reserves, key intellectual property (e.g. databases or specific entity competences); market-position; employee competences or resources/skills and their role in creating longer-term value
  - Impact of legislation and other external requirements having a material effect on the financial condition in the reporting period or expected to have a material effect on the financial condition in future periods
- Risk management and corporate governance practices, including management of both financial and non-financial risks.

### Non-IFRS financial information

If the directors consider it appropriate to include non-IFRS financial information in the OFR, the directors' report or another document in the annual report, the guidelines in Section D of [ASIC Regulatory Guide 230](#) *Disclosing non-IFRS financial information* should be followed to assist in reducing the risk of non-IFRS financial information being misleading<sup>84</sup>.

Important considerations include that:

- IFRS financial information should be given equal or greater prominence compared to non-IFRS financial information, in particular IFRS profit
- Non-IFRS information should be:
  - Explained and reconciled to IFRS financial information
  - Calculated consistently from period to period
  - Unbiased and not used to remove "bad news".

Entities should refer to the complete document when preparing their reports as it provides detailed guidance for presenting non-IFRS financial information.

A clear statement should be made about whether or not the non-IFRS financial information has been audited or reviewed in accordance with Australian Auditing Standards.

ASIC-RG 230

<sup>84</sup> Non-IFRS financial information is financial information presented other than in accordance with all relevant Australian Accounting Standards.

**Source****Changes in state of affairs**

s.299(1)(b)

During the financial year, the consolidated entity disposed of its toy business. The consolidated entity is also seeking to dispose of its bicycle business, to focus its operations towards the manufacture and distribution of electronic equipment and leisure goods as proposed and agreed at the company's last Annual General Meeting. Other than the above, there was no significant change in the state of affairs of the consolidated entity during the financial year.

**Subsequent events**

s.299(1)(d)

On 17 January 2026, the premises of Subfive Limited were seriously damaged by fire. Insurance claims are in process, but the cost of refurbishment is currently expected to exceed the amount that will be reimbursed by \$\_\_ million.

Other than the above, no matter or circumstance has arisen subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**Future developments**

s.299(1)(e), s.299(3)

Directors must bring likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations to the attention of the users of the annual report. These disclosures are not required where they would result in unreasonable prejudice to the entity.

s.299A(1)(c), (2)

The directors' report for a company, registered scheme or disclosing entity that is listed must also contain information that members of the listed entity would reasonably require to make an informed assessment of the consolidated entity's prospects for future financial years.

**Use of the "unreasonable prejudice" exemption**

In determining whether any information should be omitted in the case of "unreasonable prejudice", RG 247 suggests that:

- Unreasonable prejudice means the consequence would be unreasonable if, for example, disclosing the information is likely to give third parties (such as competitors, suppliers and buyers) a commercial advantage, resulting in a material disadvantage to the entity
- Likely means "more than a possibility" or "more probable than not".

Even where the exemption is relied upon it is still expected that some information should be able to be disclosed about an entities business strategies and prospects.

**Environmental regulations**

s.299(1)(f)

If the consolidated entity's operations are subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory, the directors' report should disclose details of the consolidated entity's performance in relation to the environmental regulation.

ASIC-RG 68.74

ASIC has provided the following guidance on completing environmental regulations disclosures:

- Prima facie, the requirements would normally apply where an entity is licensed or otherwise subject to conditions for the purposes of environmental legislation or regulation
- The requirements are not related specifically to financial disclosures (e.g. contingent liabilities and capital commitments) but relate to performance in relation to environmental regulation. Hence, accounting concepts of materiality in financial statements are not applicable
- The information provided in the directors' report cannot be reduced or eliminated because information has been provided to a regulatory authority for the purposes of any environmental legislation
- The information provided in the director's report would normally be more general and less technical than information which an entity is required to provide in any compliance reports to an environmental regulator.

## Source

### Dividends

- s.300(1)(a) For the financial year ended 31 December 2024, as detailed in the directors' report for that financial year, a final dividend of \_\_\_ cents per share franked to \_\_\_% at the 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 7 April 2025.
- s.300(1)(a) For the financial year ended 31 December 2025, an interim dividend of \_\_\_ cents per share franked to \_\_\_% at the 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 6 October 2025.
- s.300(1)(a) For the financial year ended 31 December 2025, a dividend of \_\_\_ cents per share franked to \_\_\_% at the 30% corporate income tax rate was paid to the holders of convertible non-participating preference shares on [insert date].
- s.300(1)(a) For the financial year ended 31 December 2025, an interim dividend of \_\_\_ cents per share franked to \_\_\_% at the 30% corporate income tax rate was paid to the holders of redeemable cumulative preference shares on [insert date].
- s.300(1)(b) For the financial year ended 31 December 2025, the directors recommend the payment of a final dividend of \_\_\_ cents per share franked to \_\_\_% at the 30% corporate income tax rate on 6 April 2026 to the holders of fully paid ordinary shares on 23 March 2026.

Where no dividends have been paid or declared since the start of the financial year, and/or the directors do not recommend the payment of a dividend in respect of the financial year, the directors' report should disclose that fact.

- AASB 110.13 If dividends are declared (i.e. the dividends are appropriately authorised and no longer at the discretion of the entity) after the reporting date but before the financial statements are authorised for issue, the dividends are not recognised as a liability at the reporting date because no obligations exist at that time. Such dividends are disclosed in the notes to the financial statements in accordance with AASB 101 *Presentation of Financial Statements*.

### Shares under option or issued on exercise of options

The directors' report should include details of:

- s.300(1)(f) • Shares or interests issued during or since the end of the financial year as a result of the exercise of an option over unissued shares or interests
- s.300(1)(e) • Unissued shares or interests under option as at the date of the directors' report.

- s.300(3) The disclosures required by s.300(1)(e) and s.300(1)(f) cover:

- Options over unissued shares and interests of the company, registered scheme or disclosing entity
- If consolidated financial statements are required – options over unissued shares and interests of any controlled entity that is a company, registered scheme or disclosing entity.

- s.300(6) The details of unissued shares or interests under option should include:

- The company, registered scheme or disclosing entity that will issue shares or interests when the options are exercised
- The number and classes of those shares or interests
- The issue price, or the method of determining the issue price, of those shares or interests
- The expiry date of the options
- Any rights that option holders have under the options to participate in any share issue or interest issue of the company, registered scheme or disclosing entity or of any other body corporate or registered scheme.



## Source

s.300(7)

**Shares under option or issued on exercise of options (continued)**

The details of shares and interests issued as a result of the exercise of any option should include:

- The company, registered scheme or disclosing entity issuing the shares or interests
- The number of shares or interests issued
- If the company, registered scheme or disclosing entity has different classes of shares or interests, the class to which each of those shares or interests belongs
- The amount unpaid on each of those shares or interests
- The amount paid, or agreed to be considered as paid, on each of those shares or interests.

s.300(1)(e),  
s.300(3), s.300(6)

Details of unissued shares or interests under option as at the date of this report are:

| Issuing entity                      | Number of shares under option | Class of shares | Exercise price of option | Expiry date of options |
|-------------------------------------|-------------------------------|-----------------|--------------------------|------------------------|
| International GAAP Holdings Limited | [Number]                      | Ordinary        | \$ ____                  | [Insert date]          |
| International GAAP Holdings Limited | [Number]                      | Ordinary        | \$ ____                  | [Insert date]          |

The above share options can only be exercised once the share price of International GAAP Holdings Limited exceeds \$ \_\_\_\_.

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the company or of any other body corporate or registered scheme.

s.300(1)(f), s.300(3),  
s.300(7)

Details of shares or interests issued during or since the end of the financial year as a result of exercise of an option are:

| Issuing entity                      | Number of shares issued | Class of shares | Amount paid for shares | Amount unpaid on shares |
|-------------------------------------|-------------------------|-----------------|------------------------|-------------------------|
| International GAAP Holdings Limited | [Number]                | Ordinary        | \$ ____                | \$nil                   |

s.300(1)(g),  
s.300(8), s.300(9)**Indemnification of officers and auditors**

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named earlier in this report), the company secretary, Mr A.B. Grey, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Where the company has not indemnified or agreed to indemnify an officer or auditor against a liability incurred, or paid an insurance premium in respect of a contract insuring against a liability incurred by an officer or auditor, the following disclosure is encouraged:

"During or since the end of the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor."

## Source

s.300(10)(b), (c)

**Directors' meetings [public companies only]**

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 12 board meetings, 2 nomination and remuneration committee meetings, 4 audit committee meetings and 4 risk management committee meetings were held.

| Directors        | Board of directors |          | Nomination & remuneration committee |          | Audit committee |          | Risk management committee |          |
|------------------|--------------------|----------|-------------------------------------|----------|-----------------|----------|---------------------------|----------|
|                  | Held               | Attended | Held                                | Attended | Held            | Attended | Held                      | Attended |
| C.J. Chambers    | 12                 | 12       | -                                   | -        | 4               | 4        | 4                         | 4        |
| P.H. Taylor      | 12                 | 10       | -                                   | -        | -               | -        | -                         | -        |
| F.R. Ridley      | 12                 | 11       | 2                                   | 2        | 4               | 4        | -                         | -        |
| A.K. Black       | -                  | -        | -                                   | -        | -               | -        | -                         | -        |
| B.M. Stavrinidis | 12                 | 12       | 2                                   | 2        | 4               | 4        | 4                         | 4        |
| W.K. Flinders    | 1                  | 1        | 1                                   | 1        | -               | -        | -                         | -        |
| S.M. Saunders    | 10                 | 9        | 1                                   | 1        | -               | -        | 4                         | 4        |

s.300(10)

Disclosure of directors' meetings is not required for a public company which is a wholly-owned controlled entity of another company.

**Registered schemes [registered schemes only]**

s.300(12)

The directors' report for a listed registered scheme should disclose the following details for each director of the company that is the responsible entity for the scheme:

- Their relevant interests in the scheme
- Their rights or options over interests in the scheme
- Contracts to which the director is a party or under which the director is entitled to a benefit and that confer a right to call for or deliver interests in the scheme.

s.300(13)

The directors' report for a registered scheme (whether listed or unlisted) should disclose details of:

- The fees paid to the responsible entity and its associates out of scheme property during the financial year
- The number of interests in the scheme held by the responsible entity or its associates as at the end of the financial year
- Interests in the scheme issued during the financial year
- Withdrawals from the scheme during the financial year
- The value of the scheme's assets as at the end of the financial year, and the basis for the valuation
- The number of interests in the scheme as at the end of the financial year.

**Proceedings on behalf of the company**

s.300(14)

The directors' report should disclose, with respect to persons applying for leave under s.237 to bring, or intervene in, proceedings on behalf of the company, the applicant's name and a statement whether leave was granted.

s.300(15)

Where leave is granted under s.237, the directors' report should disclose the following details of any proceedings that a person has brought, or intervened in, on behalf of the company:

- The person's name
- The names of the parties to the proceedings
- Sufficient information to enable members to understand the nature and status of the proceedings (including the cause of action and any orders made by the court).

## Source

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>s.300(2A),<br/>s.300(11B)(a)</p>                | <p><b>Non-audit services <i>[listed companies only]</i></b></p> <p>Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 66 to the financial statements (see page 269).</p>                                                                                                                                                                                                                                                                                                                                                                                              |
| <p>s.300(11B)(b)</p>                               | <p>The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the <i>Corporations Act 2001</i>.</p>                                                                                                                                                                                                                                                                                                                                                                    |
| <p>s.300(11B)(c)</p>                               | <p>The directors are of the opinion that the services as disclosed in note 66 to the financial statements do not compromise the external auditor's independence, for the following reasons:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>s.300(11B)(c)<br/>APES 110 para<br/>R600.22</p> | <ul style="list-style-type: none"> <li>• All non-assurance services have been approved by Those Charged with Governance as set out in APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> issued by the Accounting Professional &amp; Ethical Standards Board (APES 110)</li> <li>• All the services comply with the general principles relating to auditor independence as set out in APES 110, including not assuming management responsibilities or reviewing or auditing the auditor's own work, and ensuring threats to independence are either eliminated or reduced to an acceptable level.</li> </ul> |
| <p>s.300C(11D)(a)</p>                              | <p>The above directors' statements are in accordance with the advice received from the audit committee.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p>s.300(11D)</p>                                  | <p>The statements under s.300(11B)(b) and (c) must be made in accordance with:</p> <ul style="list-style-type: none"> <li>• Advice provided by the listed company's audit committee if the company has an audit committee, or</li> <li>• A resolution of the directors of the listed company if the company does not have an audit committee.</li> </ul>                                                                                                                                                                                                                                                                                                 |
| <p>s.300(11E)</p>                                  | <p>A statement is taken to be made in accordance with advice provided by the company's audit committee only if:</p> <ul style="list-style-type: none"> <li>• The statement is consistent with that advice and does not contain any material omission of material included in that advice</li> <li>• The advice is endorsed by a resolution passed by the members of the audit committee</li> <li>• The advice is written advice signed by a member of the audit committee on behalf of the audit committee and given to the directors.</li> </ul>                                                                                                        |
| <p>s.298(1AA)(c)<br/>ASIC-CI 2016/188</p>          | <p><b>Auditor's independence declaration</b></p> <p>The auditor's independence declaration is included after this report on page 232.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>s.300(11AA)</p>                                 | <p><b>Extension of audit rotation period <i>[listed companies only]</i></b></p> <p>Where, in accordance with s.324DAA, the directors of the company by resolution grant an approval for an individual to play a significant role in the audit of a listed company by extending the audit involvement period from the normal five successive financial years to six or seven successive financial years, the report must include details of and the reasons for the approval.</p>                                                                                                                                                                         |
| <p>s.300(11A)</p>                                  | <p>Where, in accordance with s.342A, ASIC has made a declaration to enable an individual who is a registered company auditor to continue to play a significant role (as defined in s.9 of the <i>Corporations Act</i>) in the audit of a listed company (by extending the audit involvement period from the normal five successive financial years to six or seven successive financial years), the directors' report must include details of the declaration.</p>                                                                                                                                                                                       |

## Source

s.298(1A)

### True and fair view

If the financial statements for a financial year include additional information under s.295(3)(c) to give a true and fair view of financial position and performance, the directors' report for the financial year must also:

- Set out the directors' reasons for forming the opinion that the inclusion of that additional information was necessary to give a true and fair view required by s.297
- Specify where that additional information can be found in the financial statements.

### Rounding off of amounts



#### ASIC regulatory simplification

On 3 September 2025, ASIC released a [report](#) on regulatory simplification, which outlines ASIC's progress on simplification in the way ASIC administers the law in areas where it regulates and seeking input on further initiatives (see section C2.8). The report proposes consolidating and streamlining 21 identified Corporations Instruments related to financial reporting, accounting and auditing.

At the date of finalisation of this document (24 September 2025), the consolidated Corporations Instrument and updated guidance had not been issued. In the event the proposals are finalised in their [current form](#), the citations in the illustrative example below will need to refer to the new consolidated Corporations Instrument from the date it is effective.

If the company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and consequently the amounts in the directors' report and the financial statements are rounded, that fact must be disclosed in the financial statements or the directors' report.

Where the conditions of the Corporations Instrument are met, entities may round to the nearest dollar, nearest thousand dollars, nearest hundred thousand dollars, or to the nearest million dollars, depending upon the total assets of the entity. The appropriate rounding should be included in the disclosure below:

ASIC-CI 2016/191

The company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Corporations Instrument amounts in the directors' report are rounded off to the nearest [*dollar/thousand dollars / hundred thousand dollars/ million dollars*], unless otherwise indicated.

## Source

s.300A(1), (1A), (2)

## Remuneration report *[all listed disclosing entities that are companies]*

This model remuneration report is suitable for use as a guide only and will not be appropriate for use by all companies required to prepare a remuneration report. Each company should consider its respective circumstances and amend the disclosures as necessary.

### Defined terms

s.9,  
AASB 124:9

**Key management personnel** are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

s.9

Closely related party of a member of the key management personnel for an entity is defined to include:

- A spouse or child of the member
- A child of the member's spouse
- A dependant of the member or of the member's spouse
- Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity
- A company the member controls
- A person prescribed by the regulations for the purposes of this paragraph.

s.206K(2)(b)

A remuneration committee is a committee of the board of directors of the company that has functions relating to the remuneration of key management personnel for the company.

s.9

**Remuneration consultant** means a person:

- Who makes a remuneration recommendation under a contract for services with the company to whose key management personnel the recommendation relates
- Who is not an officer or employee of the company.

s.9B(1)-(4)

1. A remuneration recommendation is:
  - a. A recommendation about either or both of the following:
    - (i) How much the remuneration should be
    - (ii) What elements the remuneration should have
 for one or more members of the key management personnel for a company, or
  - b. A recommendation or advice about a matter or of a kind prescribed by the regulations.
2. None of the following is a remuneration recommendation (even if it would otherwise be covered by s.9B(1) above):
  - a. Advice about the operation of the law (including tax law)
  - b. Advice about the operation of accounting principles (for example, about how options should be valued)
  - c. Advice about the operation of actuarial principles and practice
  - d. The provision of facts
  - e. The provision of information of a general nature relevant to all employees of the company
  - f. A recommendation, or advice or information, of a kind prescribed by the regulations. (Regulation 1.2.01 of the of the *Corporations Regulations 2001* prescribes that for s.9B(2)(f), a recommendation, or advice or information, provided in relation to one or more members of the key management personnel for a company by an employee of a company within the same consolidated entity, is not a remuneration recommendation).
3. s.9B(2) does not limit the things that are not remuneration recommendations, nor does it mean that something specified in that subsection would otherwise be a remuneration recommendation within the meaning of s.9B(1)
4. ASIC may by writing declare that s.9B(1) above does not apply to a specified recommendation or specified advice, but may do so only if ASIC is satisfied that it would be unreasonable in the circumstances for the advice or recommendation to be a remuneration recommendation. The declaration has effect accordingly. The declaration is not a legislative instrument.

Source

s.300A(1)(c),  
Reg2M.3.03

Prescribed details in relation to remuneration

The prescribed details in relation to remuneration referred to in s.300A(1)(c) are detailed in Regulation 2M.3.03 of the Corporations Regulations. The prescribed details must be provided in respect of the following persons:

- If consolidated financial statements are required – each member of the key management personnel for the consolidated entity, or
- If consolidated financial statements are not required – each member of the key management personnel for the company.

s.300A(1)(d), (1)(e)

Note, s.300A(1)(d) and s.300A(1)(e) specify further remuneration details that must be made in the remuneration report in respect of the persons noted above.

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of International GAAP Holdings Limited's key management personnel for the financial year ended 31 December 2025. The term "key management personnel" refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity. The prescribed details for each person covered by this report are detailed below under the following headings:

- Key management personnel
- Remuneration policy
- Relationship between the remuneration policy and company performance
- Remuneration of key management personnel
- Key terms of employment contracts.

Key management personnel

Reg2M.3.03 (1)  
(Item 1-5)

The directors and other key management personnel of the consolidated entity during or since the end of the financial year were:

Non-executive directors

C.J. Chambers  
F.R. Ridley  
A.K. Black (appointed 8 January 2025)  
B.M. Stavrinidis  
W.K. Flinders (resigned 12 February 2025)  
S.M. Saunders (appointed 12 February 2025,  
resigned 21 January 2026)

Position

Chairman, Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director

Executive officers

P.H. Taylor  
W.L. Lee  
L.J. Jackson  
C.P. Daniels (resigned 19 January 2025)  
N.W. Wright (resigned 21 June 2025)  
T.L. Smith (appointed 15 January 2025)

Position

Executive Director, Chief Executive Officer  
Chief Financial Officer  
Chief Marketing Officer  
Chief Operations Officer  
General Manager – [describe]  
General Manager – [describe]

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

## Source

### Remuneration policy

s.300A(1)(a)

The directors' report for a financial year for a company must include (in a separate and clearly identified section of the report) discussion of board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of the key management personnel for:

- (a) The company, if consolidated financial statements are not required, or
- (b) The consolidated entity, if consolidated financial statements are required.

The report must also include:

s.300A(1)(f)

- Such other matters related to the policy or policies referred to in s.300A(1)(a) above as are prescribed by the regulations, and

s.300A(1)(g)

- If:
  - At the company's most recent AGM, comments were made on the remuneration report that was considered at that AGM, and
  - When a resolution that the remuneration report for the last financial year be adopted was put to the vote at the company's most recent AGM, at least 25% of the votes cast were against adoption of that report,

an explanation of the board's proposed action in response or, if the board does not propose any action, the board's reasons for inaction.

s.300A(1)(h)

- If a remuneration consultant made a remuneration recommendation in relation to any of the key management personnel for the company or, if consolidated financial statements are required, for the consolidated entity, for the financial year:
  - (i) The name of the consultant
  - (ii) A statement that the consultant made such a recommendation
  - (iii) If the consultant provided any other kind of advice to the company or entity for the financial year – a statement that the consultant provided that other kind or those other kinds of advice
  - (iv) The amount and nature of the consideration payable for the remuneration recommendation
  - (v) The amount and nature of the consideration payable for any other kind of advice referred to in subparagraph (iii)
  - (vi) Information about the arrangements the company made to ensure that the making of the remuneration recommendation would be free from undue influence by the member or members of the key management personnel to whom the recommendation relates
  - (vii) A statement about whether the board is satisfied that the remuneration recommendation was made free from undue influence by the member or members of the key management personnel to whom the recommendation relates
  - (viii) If the board is satisfied that the remuneration recommendation was made free from undue influence by the member or members of the key management personnel to whom the recommendation relates – the board's reasons for being satisfied of this.

## Source

### Relationship between the remuneration policy and company performance

A disclosing entity that is a company must disclose:

- s.300A(1)(e)(i) • An explanation of the relative proportions of those elements of the remuneration of a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, that are related to performance and those elements of the person's remuneration that are not
- s.300A(1)(ba) • If an element of the remuneration of a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, is dependent on the satisfaction of a performance condition:
  - A detailed summary of the performance condition
  - An explanation of why the performance condition was chosen
  - A summary of the methods used in assessing whether the performance condition is satisfied and an explanation of why those methods were chosen
  - If the performance condition involves a comparison with factors external to the company:
    - A summary of the factors to be used in making the comparison
    - If any of the factors relates to the performance of another company, of 2 or more other companies or of an index in which the securities of a company or companies are included – the identity of that company, of each of those companies or of the index
- s.300A(1)(d) • If an element of the remuneration of a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity consists of securities of a body and that element is not dependent on the satisfaction of a performance condition – an explanation of why that element of the remuneration is not dependent on the satisfaction of a performance condition must be disclosed.

### No hedging of remuneration of key management personnel

- s.206J(1) A member of the key management personnel for a company that is a disclosing entity, or a closely related party of such a member, must not enter into an arrangement (with anyone) if the arrangement would have the effect of limiting the exposure of the member to risk relating to an element of the member's remuneration that:
  - Has not vested in the member, or
  - Has vested in the member but remains subject to a holding lock.
- s.206J(2) Without limiting s.206J(1)(a), remuneration that is not payable to a member until a particular day is, until that day, remuneration that has not vested in the member.
- s.206J(3) In determining whether an arrangement has the effect described in s.206J(1) in relation to an element of remuneration described in that subsection, regard is to be had to the regulations made for the purposes of this subsection (see Regulation 2D.7.01 of the *Corporations Regulations 2001*).



## Source

**Discussion of the relationship between the remuneration policy and company performance**

s.300A(1)(b)

The directors' report must include discussion of the relationship between the remuneration policy for key management personnel and the company's performance.

s.300A (1AA)

Without limiting the requirements of s.300A(1)(b), the discussion under that subsection of the company's performance must specifically deal with:

- The company's earnings
- The consequences of the company's performance on shareholder wealth,

in the financial year to which the report relates and in the previous 4 financial years.

s.300A (1AB)

In determining the consequences of the company's performance on shareholder wealth in a financial year, the entity must have regard to:

- Dividends paid by the company to its shareholders during that year
- Changes in the price at which shares in the company are traded between the beginning and the end of that year
- Any return of capital by the company to its shareholders during that year that involves:
  - The cancellation of shares in the company
  - A payment to the holders of those shares that exceeds the price at which shares in that class are being traded at the time when the shares are cancelled
- Any other relevant matter.

s.300A(1)(b)

Illustrated below is an example of how an entity may present information to comply with s.300A(1AA) and s.300A(1AB). Alternatively, an entity may elect to present such information graphically. The illustrative tables must be accompanied by discussion relevant to explaining the relationship between the remuneration policy and company performance.

s.300A (1AA), (1AB)

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 31 December 2025:

|                                    | 31 Dec 25<br>\$'000 | 31 Dec 24<br>\$'000 | 31 Dec 23<br>\$'000 | 31 Dec 22<br>\$'000 | 31 Dec 21<br>\$'000 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue                            |                     |                     |                     |                     |                     |
| Net profit before tax              |                     |                     |                     |                     |                     |
| Net profit after tax               |                     |                     |                     |                     |                     |
|                                    | 31 Dec 25           | 31 Dec 24           | 31 Dec 23           | 31 Dec 22           | 31 Dec 21           |
| Share price at start of year       | \$ ____             | \$ ____             | \$ ____             | \$ ____             | \$ ____             |
| Share price at end of year         | \$ ____             | \$ ____             | \$ ____             | \$ ____             | \$ ____             |
| Interim dividend <sup>(i)</sup>    | ____ cps            | ____ cps            | ____ cps            | ____ cps            | ____ cps            |
| Final dividend <sup>(i),(ii)</sup> | ____ cps            | ____ cps            | ____ cps            | ____ cps            | ____ cps            |
| Basic earnings per share           | ____ cps            | ____ cps            | ____ cps            | ____ cps            | ____ cps            |
| Diluted earnings per share         | ____ cps            | ____ cps            | ____ cps            | ____ cps            | ____ cps            |

(i) Franked to \_\_\_\_% at 30% corporate income tax rate.

(ii) Declared after the end of the reporting period and not reflected in the financial statements.

In addition, during the financial year International GAAP Holdings Limited repurchased \_\_\_\_ shares for \$ \_\_\_\_\_. The shares were repurchased at the prevailing market price on the date of the buy-back.

## Source

Reg2M.3.03(1)  
(Item 6-9, 11)

## Remuneration of key management personnel

|                                | Short-term employee benefits |            |              |       | Post-employment benefits | Long-term employee benefits | Share-based payments | Total |
|--------------------------------|------------------------------|------------|--------------|-------|--------------------------|-----------------------------|----------------------|-------|
|                                | Salary & fees                | Cash bonus | Non-monetary | Other | Super-annuation          | Long service leave          | Options & rights (i) |       |
| 2025                           | \$                           | \$         | \$           | \$    | \$                       | \$                          | \$                   | \$    |
| <b>Non-executive directors</b> |                              |            |              |       |                          |                             |                      |       |
| C.J. Chambers                  |                              |            |              |       |                          |                             |                      |       |
| F.R. Ridley                    |                              |            |              |       |                          |                             |                      |       |
| A.K. Black                     |                              |            |              |       |                          |                             |                      |       |
| B.M. Stavrinidis               |                              |            |              |       |                          |                             |                      |       |
| W.K. Flinders                  |                              |            |              |       |                          |                             |                      |       |
| S.M. Saunders                  |                              |            |              |       |                          |                             |                      |       |
| <b>Executive officers</b>      |                              |            |              |       |                          |                             |                      |       |
| P.H. Taylor                    |                              |            |              |       |                          |                             |                      |       |
| W.L. Lee                       |                              |            |              |       |                          |                             |                      |       |
| L.J. Jackson                   |                              |            |              |       |                          |                             |                      |       |
| C.P. Daniels                   |                              |            |              |       |                          |                             |                      |       |
| N.W. Wright                    |                              |            |              |       |                          |                             |                      |       |
| T.L. Smith                     |                              |            |              |       |                          |                             |                      |       |
| <b>Total</b>                   |                              |            |              |       |                          |                             |                      |       |

Reg2M.3.03(1)  
(Item 6-9, 11)

|                                | Short-term employee benefits |            |              |       | Post-employment benefits | Long-term employee benefits | Share-based payments | Total |
|--------------------------------|------------------------------|------------|--------------|-------|--------------------------|-----------------------------|----------------------|-------|
|                                | Salary & fees                | Cash bonus | Non-monetary | Other | Super-annuation          | Long service leave          | Options & rights (i) |       |
| 2024                           | \$                           | \$         | \$           | \$    | \$                       | \$                          | \$                   | \$    |
| <b>Non-executive directors</b> |                              |            |              |       |                          |                             |                      |       |
| C.J. Chambers                  |                              |            |              |       |                          |                             |                      |       |
| F.R. Ridley                    |                              |            |              |       |                          |                             |                      |       |
| B.M. Stavrinidis               |                              |            |              |       |                          |                             |                      |       |
| W.K. Flinders                  |                              |            |              |       |                          |                             |                      |       |
| O.H. O'Brien                   |                              |            |              |       |                          |                             |                      |       |
| <b>Executive officers</b>      |                              |            |              |       |                          |                             |                      |       |
| P.H. Taylor                    |                              |            |              |       |                          |                             |                      |       |
| W.L. Lee                       |                              |            |              |       |                          |                             |                      |       |
| L.J. Jackson                   |                              |            |              |       |                          |                             |                      |       |
| C.P. Daniels                   |                              |            |              |       |                          |                             |                      |       |
| N.W. Wright                    |                              |            |              |       |                          |                             |                      |       |
| E.P. Hart                      |                              |            |              |       |                          |                             |                      |       |
| <b>Total</b>                   |                              |            |              |       |                          |                             |                      |       |

- (i) The value of the options and rights granted to key management personnel as part of their remuneration is calculated as at the grant date using a binomial pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.

## Source

s.300A(1)(e)(i)

**Remuneration of key management personnel (continued)**

The relative proportions of those elements of remuneration of key management personnel that are linked to performance:

|                                | Fixed remuneration |        | Remuneration linked to performance |       |
|--------------------------------|--------------------|--------|------------------------------------|-------|
|                                | 2025               | 2024   | 2025                               | 2024  |
| <b>Non-executive directors</b> |                    |        |                                    |       |
| C.J. Chambers                  | 100%               | 100%   | -                                  | -     |
| F.R. Ridley                    | 100%               | 100%   | -                                  | -     |
| A.K. Black (i)                 | 100%               | -      | -                                  | -     |
| B.M. Stavrindis                | 100%               | 100%   | -                                  | -     |
| W.K. Flinders                  | 100%               | 100%   | -                                  | -     |
| S.M Saunders (ii)              | 100%               | -      | -                                  | -     |
| O.H. O'Brien (iii)             | -                  | 100%   | -                                  | -     |
| <b>Executive officers</b>      |                    |        |                                    |       |
| P.H. Taylor                    | 77.5%              | 85.3%  | 22.5%                              | 14.7% |
| W.L. Lee                       | 92.5%              | 100.0% | 7.5%                               | -     |
| L.J. Jackson                   | 96.8%              | 100.0% | 3.2%                               | -     |
| C.P. Daniels                   | 97.8%              | 100.0% | 2.2%                               | -     |
| N.W. Wright                    | 97.7%              | 100.0% | 2.3%                               | -     |
| E.P Hart                       | 95.9%              | 100.0% | 4.1%                               | -     |
| T.L. Smith (iv)                | 96.5%              | -      | 3.5%                               | -     |

(i) A.K. Black was appointed 8 January 2025 therefore amounts for 2024 are zero.

(ii) S.M Saunders was appointed 12 February 2025 therefore amounts for 2024 are zero.

(iii) O.H. O'Brien resigned 10 May 2024 therefore amounts for 2025 are zero.

(iv) T.L. Smith was appointed 15 January 2025 therefore amounts for 2024 are zero.

Reg2M.3.03(1)  
(Item 10)

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

## Source

Reg2M.3.03(1)  
(Item 6-11)

### Payments and benefits

The tables above do not illustrate all the payments and benefits specified by Regulation 2M.3.03 that must be disclosed, if present. Disclosure of the following payments and benefits in respect of each s.300A(1)(c) identified person is required:

- The person's short-term employee benefits, divided into at least the following components:
  - Cash salary, fees and short-term compensated absences
  - Short-term cash profit-sharing and other bonuses
  - Non-monetary benefits
  - Other short-term employee benefits
- The person's post-employment benefits, divided into at least the following components:
  - Pension and superannuation benefits
  - Other post-employment benefits
- The person's long-term employee benefits other than benefits mentioned in items 6 and 7 (i.e. short-term employee benefits and post-employment benefits) and long-term, separately identifying any amount attributable to a long-term incentive plan
- The person's termination benefits
- For any position the person started to hold during the financial year, payments (if any) made to the person, before the person started to hold the position, as part of the consideration for the person agreeing to hold the position, including:
  - The monetary value of the payment
  - The date of the payment
- Share-based payments made to the person, divided into at least the following components:
  - Equity-settled share-based payment transactions, showing separately:
    - Shares and units
    - Options and rights
  - Cash-settled share-based payment transactions
  - All other forms of share-based payment compensation (including hybrids).

### Total of a person's compensation

Disclosure of the total compensation for each identified person is not specifically required by s.300A or Regulation 2M.3.03, however we recommend that it be made as a matter of good practice.

### Comparative information

Reg2M.3.03(2)

For items 6-9 and 11 of Regulation 2M.3.03, information of the kind described in the item for the previous financial year must also be disclosed in the financial year to which the item relates (to give comparative information for the purposes of the item), but this does not apply in relation to the first financial year in which paragraph 300A(1)(c) of the Corporations Act applies in relation to a person.

### Bonuses and share-based payments granted as compensation for the current financial year

Reg2M.3.03(1)  
(Item 12)

#### Cash bonuses

W.L. Lee was granted a cash bonus of \$10,000 on *[date]*. The cash bonus was given on successful acquisition by the consolidated entity, for his identification of the manufacturing business of Subseven Limited as an advantageous investment opportunity earlier in the reporting period.

No other cash bonuses were granted during the financial year.

**Source**

Reg2M.3.03  
(1)(Item 12(b), (c),  
15(b)(ii), (b)(iii),  
(b)(v))

**Employee share option plan**

International GAAP Holdings Limited operates an ownership-based scheme for executives and senior employees of the consolidated entity. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees with more than five years service with the company may be granted options to purchase parcels of ordinary shares at an exercise price of \$ \_\_\_\_ per ordinary share.

Each employee share option converts into one ordinary share of International GAAP Holdings Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance based formula approved by shareholders at a previous annual general meeting and is subject to approval by the Remuneration Committee. The formula rewards executives and senior employees against the extent of the consolidated entity's and individual's achievement against both qualitative and quantitative criteria from the following financial and customer service measures:

- Improvement in share price
- Improvement in net profit
- Improvement in return to shareholders
- Reduction in warranty claims
- Results of client satisfaction surveys
- Reduction in rate of staff turnover

The options granted expire within twelve months of their issue, or one month of the resignation of the executive or senior employee, whichever is the earlier.

Reg2M.3.03(1)  
(Item 12(a), (b), (g),  
15(b)(i), (b)(ii), (b)(iv),  
(b)(vi))  
s.300A(e)(ii)

Terms and conditions of share-based payment arrangements affecting remuneration of key management personnel in the current financial year or future financial years:

| Options series | Grant date | Grant date fair value | Exercise price | Expiry date | Vesting date                                                                                                                                                               |
|----------------|------------|-----------------------|----------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Series 3       | 30/03/23   | \$ ____               | \$ ____        | 30/03/26    | Vests at the date of grant.                                                                                                                                                |
| Series 4       | 30/09/24   | \$ ____               | \$ ____        | 30/09/26    | Vests on the date that the International GAAP Holdings Limited share price exceeds \$ __, and provided that the eligible recipient is employed by the company on that date |

Reg2M.3.03(1)  
(Item 12(d), 14)

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

Details of share-based payments granted as compensation to key management personnel during the current financial year:

Reg2M.3.03(1)  
(Item 12(e), (f)  
15(a))

| Name         | Option series | During the financial year |            |                   | % of grant forfeited |
|--------------|---------------|---------------------------|------------|-------------------|----------------------|
|              |               | No. granted               | No. vested | % of grant vested |                      |
| P.H. Taylor  | Series 3      | 88,000                    | 88,000     | 100%              | n/a                  |
| W.L. Lee     | Series 3      | 6,250                     | 6,250      | 100%              | n/a                  |
| L.J. Jackson | Series 3      | 6,250                     | 6,250      | 100%              | n/a                  |
| C.P. Daniels | Series 3      | 4,167                     | 4,167      | 100%              | n/a                  |
| N.W. Wright  | Series 3      | 4,167                     | 4,167      | 100%              | n/a                  |
| T.L. Smith   | Series 4      | 32,036                    | nil        | nil               | nil                  |

## Source

Reg2M.3.03(1)  
(Item 16)**Employee share option plan (continued)**

During the year, the following key management personnel exercised options that were granted to them as part of their compensation. Each option converts into one ordinary share of International GAAP Holdings Limited.

| <b>Name</b>  | <b>No. of options exercised</b> | <b>No. of ordinary shares of International GAAP Holdings Limited issued</b> | <b>Amount paid</b> | <b>Amount unpaid</b> |
|--------------|---------------------------------|-----------------------------------------------------------------------------|--------------------|----------------------|
| P.H. Taylor  | 50,000                          | 50,000                                                                      | \$50,000           | \$nil                |
| W.L. Lee     | 6,250                           | 6,250                                                                       | \$6,250            | \$nil                |
| L.J. Jackson | 6,250                           | 6,250                                                                       | \$6,250            | \$nil                |
| C.P. Daniels | 4,167                           | 4,167                                                                       | \$4,167            | \$nil                |
| N.W. Wright  | 4,167                           | 4,167                                                                       | \$4,167            | \$nil                |

s.300A(1)(e)(ii)-(iii)

The following table summarises the value of options granted and exercised during the financial year, in relation to options granted to key management personnel as part of their remuneration:

| <b>Name</b>  | <b>Value of options granted at the grant date (i)</b> | <b>Value of options exercised at the exercise date (ii)</b> |
|--------------|-------------------------------------------------------|-------------------------------------------------------------|
|              | <b>\$</b>                                             | <b>\$</b>                                                   |
| P.H. Taylor  | 105,600                                               | 88,000                                                      |
| W.L. Lee     | 7,500                                                 | 15,750                                                      |
| L.J. Jackson | 7,500                                                 | 15,750                                                      |
| C.P. Daniels | 5,000                                                 | 10,501                                                      |
| N.W. Wright  | 5,000                                                 | 10,501                                                      |
| T.L. Smith   | 33,638                                                | -                                                           |

- (i) The value of options granted during the financial year is calculated as at the grant date using a binomial pricing model. This grant date value is allocated to remuneration of key management personnel on a straight-line basis over the period from grant date to vesting date.
- (ii) The value of options exercised during the financial year is calculated as at the exercise date using a binomial pricing model.

s.300A(1)(e)(iv)

The following table summarises the number of options that lapsed during the financial year, in relation to options granted to key management personnel as part of their remuneration:

| <b>Name</b>   | <b>Financial year in which the options were granted</b> | <b>No. of options lapsed during the current year</b> |
|---------------|---------------------------------------------------------|------------------------------------------------------|
| <i>[name]</i> | <i>[year]</i>                                           | -                                                    |

## Source

Reg2M.3.03(1)  
(Item 12)

### Compensation

For each grant of a cash bonus, performance related bonus or share-based payment compensation benefit made to a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, whether part of a specific contract for services or not, the remuneration report must include the terms and conditions of each grant affecting compensation in the reporting period or a future reporting period, including the following:

- The grant date
- The nature of the compensation
- The service and performance criteria used to determine the amount of compensation
- If there has been any alteration of the terms or conditions of the grant since the grant date – the date, details and effect of each alteration (see also “alterations and modifications” below)
- The percentage of the bonus or grant for the financial year that was paid to the person or that vested in the person, in the financial year
- The percentage of the bonus or grant for the financial year that was forfeited by the person (because the person did not meet the service and performance criteria for the bonus or grant) in the financial year
- The financial years, after the financial year which the report relates, for which the bonus or grant will be payable if the person meets the service and performance criteria for the bonus or grant
- Estimates of the maximum and minimum possible total value of the bonus or grant (other than option grants) for financial years after the financial year to which the report relates.

## Source

Reg2M.3.03(3)

### Options and rights over equity instruments

A disclosure required by Regulation 2M.3.03(1)(Items 15-19) must:

- Be separated into each class of equity instrument
- Identify each class of equity instrument by:
  - The name of the disclosing entity or the relevant subsidiary that issued the equity instrument
  - The class of equity instrument
  - If the instrument is an option or right – the class and number of equity instruments for which it may be exercised.

Reg2M.3.03(1)  
(Item 15)

If options and rights over an equity instrument issued or issuable by the disclosing entity or any of its subsidiaries have been provided as compensation to a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, during the reporting period:

- The number of options and the number of rights that, during the reporting period:
  - Have been granted
  - Have vested
- The terms and conditions of each grant made during the reporting period, including:
  - The fair value per option or right at grant date
  - The exercise price per share or unit
  - The amount, if any, paid or payable, by the recipient
  - The expiry date
  - The date or dates when the options or rights may be exercised
  - A summary of the service and performance criteria that must be met before the beneficial interest vests in the person.

Reg2M.3.03(1)  
(Item 16)

If an equity instrument that is issued or issuable by the disclosing entity or any of its subsidiaries has been provided as a result of the exercise during the reporting period of options and rights that have been granted as compensation to a person:

- The number of equity instruments
- If the number of options or rights exercised differs from the number of equity instruments disclosed under paragraph (a) – the number of options or rights exercised
- The amount paid per instrument
- The amount unpaid per instrument.



## Source

Reg2M.3.03(1)  
(Item 14)

### Alterations and modifications

If the terms of share-based payment transactions (including options or rights) granted as compensation to key management personnel have been altered or modified by the disclosing entity or any of its subsidiaries during the reporting period:

- The date of the alteration
- The market price of the underlying equity instrument at the date of the alteration
- The terms of the grant of compensation immediately before the alteration, including:
  - The number and class of the underlying equity instruments, exercise price
  - The time remaining until expiry
  - Each other condition in the terms that affects the vesting or exercise of an option or other right
- The new terms
- The difference between:
  - The total of the fair value of the options or other rights affected by the alteration immediately before the alteration
  - The total of the fair value of the options or other rights immediately after the alteration.

s.300A(1)(e)(vii)  
Reg2M.3.03(1)  
(Item 13)

### Key terms of employment contracts

The report must also include, for each member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity:

- If the person is employed by the company under a contract – the duration of the contract, the periods of notice required to terminate the contract and the termination payments provided for under the contract
- For each contract for services between a person and the disclosing entity (or any of its subsidiaries), any further explanation that is necessary in addition to those prescribed in s.300A(1)(ba) and Regulation 2M.3.03(1)(Item 12) to provide an understanding of:
  - How the amount of compensation in the current reporting period was determined
  - How the terms of the contract affect compensation in future periods.

Source

Reg2M.3.03(1)  
(Item 20)

Loans to key management personnel

The Group has provided several of its key management personnel with short-term loans at a 2% interest rate per annum.

The loans to key management personnel are unsecured.

The following table outlines aggregate amounts in respect of loans made to key management personnel of the Group.

Reg 2M.3.03  
(3A)

The disclosures required by Regulation 2M3.03(1)(Item 20) and Regulation 2M3.03(1)(Item 21) below do not include loans involved in transactions that are in-substance options, including non-recourse loans.

Where such loan arrangements exist and are excluded from the table the following disclosure is recommended: "These balances do not include loans that are in-substance options and are non-recourse to the Group."

Reg2M.3.03(1)  
(Item 20)

| Balance at<br>01/01/2025                                                                                                                                                                                 | Interest<br>charged | Arm's length<br>interest<br>differential (i) | Allowance for<br>doubtful<br>receivables | Balance at<br>31/12/2025 | Number of key<br>management<br>personnel |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------|------------------------------------------|--------------------------|------------------------------------------|
| \$                                                                                                                                                                                                       | \$                  | \$                                           | \$                                       | \$                       |                                          |
| [amount]                                                                                                                                                                                                 | [amount]            | [amount]                                     | [amount]                                 | [amount]                 | [number]                                 |
| (iii) The amount above refers to the difference between the amount of interest paid and payable in the reporting period and the amount of interest that would have been charged on an arms-length basis. |                     |                                              |                                          |                          |                                          |

Reg2M.3.03(1)  
(Item 21)

Key management personnel with loans above \$100,000 in the reporting period:

The Group has provided several of its key management personnel with short-term loans at rates comparable to the average commercial rate of interest.

The loans to key management personnel are unsecured.

The following table outlines amounts in relation to loans above \$100,000 made to key management personnel of the Group:

Reg2M.3.03(1)  
(Item 21)

|                  | Balance at<br>01/01/2025 | Interest<br>charged | Arm's length<br>interest<br>differential (i) | Allowance for<br>doubtful<br>receivables | Balance at<br>31/12/2025 | Highest loan<br>balance<br>during the<br>period |
|------------------|--------------------------|---------------------|----------------------------------------------|------------------------------------------|--------------------------|-------------------------------------------------|
| Name             | \$                       | \$                  | \$                                           | \$                                       | \$                       | \$                                              |
| F.R. Ridley      |                          |                     |                                              |                                          |                          |                                                 |
| B.M. Stavrinidis |                          |                     |                                              |                                          |                          |                                                 |
| C.P. Daniels     |                          |                     |                                              |                                          |                          |                                                 |

(i) The amount above refers to the difference between the amount of interest paid and payable in the reporting period and the amount of interest that would have been charged on an arms-length basis.

## Source

Reg2M.3.03 (1)  
(Item 18)

## Key management personnel equity holdings

*Fully paid ordinary shares of International GAAP Holdings Limited*

|                 | Balance at | Granted as   | Received on | Net other | Balance at | Balance held |
|-----------------|------------|--------------|-------------|-----------|------------|--------------|
|                 | 01/01/2025 | compensation | exercise of | change    | 31/12/2025 | nominally    |
| Name            | No.        | No.          | No.         | No.       | No.        | No.          |
| C.J. Chambers   | 5,000      | -            | -           | -         | 5,000      | -            |
| P.H. Taylor     | 1,500      | -            | 50,000      | (1,500)   | 50,000     | -            |
| A.K. Black      | 9,000      | -            | -           | (8,000)   | 1,000      | -            |
| W.L. Lee        | 2,520      | -            | 6,250       | 3,500     | 12,270     | 3,500        |
| L.J. Jackson    | 1,250      | -            | 6,250       | (1,500)   | 6,000      | 800          |
| C.P. Daniels    | 4,584      | -            | 4,167       | -         | 8,751      | -            |
| N.W. Wright (i) | 2,000      | -            | 4,167       | -         | 6,167      | -            |

(i) It should be noted N.W. Wright resigned on 21 June 2025 and therefore the balance of securities held as at 31 December 2025 represents the balance held at the date of resignation, accordingly all movements in equity holdings disclosed reflect only those movements which took place during the period that N.W. Wright was a key management person.

*Convertible notes of International GAAP Holdings Limited*

|               | Balance at | Granted as   | Received on | Net other | Balance       | Balance held |
|---------------|------------|--------------|-------------|-----------|---------------|--------------|
|               | 01/01/2025 | compensation | exercise of | change    | at 31/12/2025 | nominally    |
| Name          | No.        | No.          | No.         | No.       | No.           | No.          |
| C.J. Chambers | -          | -            | -           | 3,000     | 3,000         | -            |
| P.H. Taylor   | -          | -            | -           | 15,000    | 15,000        | -            |

*Share options of International GAAP Holdings Limited*Reg2M.3.03 (1)  
(Item 17)

|              | Bal at     | Granted as   |           | Net other | Bal at     | Bal vested    | Vested but      | Vested          | Options            |
|--------------|------------|--------------|-----------|-----------|------------|---------------|-----------------|-----------------|--------------------|
|              | 01/01/2025 | compensation | Exercised | change    | 31/12/2025 | at 31/12/2025 | not exercisable | and exercisable | vested during year |
| Name         | No.        | No.          | No.       | No.       | No.        | No.           | No.             | No.             | No.                |
| P.H. Taylor  | 50,000     | 88,000       | (50,000)  | -         | 88,000     | 88,000        | -               | 88,000          | 88,000             |
| W.L. Lee     | -          | 6,250        | (6,250)   | -         | -          | -             | -               | -               | 6,250              |
| L.J. Jackson | -          | 6,250        | (6,250)   | -         | -          | -             | -               | -               | 6,250              |
| C.P. Daniels | -          | 4,167        | (4,167)   | -         | -          | -             | -               | -               | 4,167              |
| N.W. Wright  | -          | 4,167        | (4,167)   | -         | -          | -             | -               | -               | 4,167              |
| T.L. Smith   | -          | 32,036       | -         | -         | 32,036     | -             | -               | -               | -                  |

All share options issued to key management personnel were made in accordance with the provisions of the employee share option plan.

During the financial year, 70,834 options were exercised by key management personnel at an exercise price of \$1 per option for 70,834 ordinary shares in International GAAP Holdings Limited. No amounts remain unpaid on the options exercised during the financial year at year end.

Further details of the employee share option plan and of share options granted during the 2025 and 2024 financial years are contained in note 57 to the financial statements.

Source

Reg2M.3.03 (1)  
(Item 19)

Key management personnel equity holdings (continued)

For a transaction (other than share-based payment compensation) that:

- Involves an equity instrument issued or issuable by the disclosing entity or any of its subsidiaries
- Has occurred, during the reporting period, between the disclosing entity or any of its subsidiaries and any of the following:
  - A key management person
  - A close member of the family of that person
  - An entity over which the person or the family member has, either directly or indirectly, control, joint control or significant influence

If the terms or conditions of the transaction were more favourable than those that it is reasonable to expect the entity would adopt if dealing at arms-length with an unrelated person, the remuneration report must detail:

- The nature of each different type of transaction
- For each transaction, the terms and conditions of the transaction.

Reg 2M.3.03(1)  
(Item 22)

Other transactions with key management personnel of the Group

During the financial year, the Group recognised interest revenue of \$\_\_\_ in relation to debentures with a carrying value of \$\_\_\_ offered by a company related to Ms B.M. Stavrinidis and held by Subone Finance Pty Ltd. The debentures return interest of \_\_\_ % p.a., payable monthly. The debentures mature on *[insert date]*.

Reg 2M.3.03(1)  
(Item 23-24)

Profit for the year includes the following items of revenue and expense that resulted from transactions, other than compensation, loans or equity holdings, with key management personnel or their related entities:

Consolidated revenue includes the following amounts arising from transactions with key management personnel of the Group or their related parties:

- Interest revenue
- Dividend revenue
- Other

2025

Consolidated profit includes the following expenses arising from transactions with key management personnel of the Group or their related parties:

- Interest expense
- Net amounts written-off and allowances for doubtful receivables
- Other

Total assets arising from transactions other than loans and amounts receivable in relation to equity instruments with key management personnel or their related parties:

- Current
- Allowance for doubtful receivables
- Non-current

Total liabilities arising from transactions other than compensation with key management personnel or their related parties:

- Current
- Non-current

## Source

Reg 2M.3.03 (3B)

### Other transactions with key management personnel of the Group (continued)

A transaction with, or an amount that is receivable from or payable under a transaction to, a key management person, a close member of the family of that person, or an entity over which the person or the family member has, directly or indirectly, control, joint control or significant influence, is excluded from the requirements of items 22 to 24 of Regulation 2M.3.03 if:

- The transaction occurs within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing at arms-length with an unrelated person
- Information about the transaction does not have the potential to affect adversely decisions about the allocation of scarce resources made by users of the financial statements, or the discharge of accountability by the key management person
- The transaction is trivial or domestic in nature.

s.298(2)

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

(Signature)

C.J. Chambers

Director

Sydney, 12 March 2026

# Auditor's independence declaration

## Source



The wording below reflects the impacts of the introduction of mandatory sustainability reporting in Australia. The illustrative wording has been developed based on the requirements of the Corporations Act. It is possible that guidance may be provided by ASIC or professional bodies on the wording of the declaration, or practice may develop over time, which may differ from the wording below. Entities should monitor developments in this area.

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The Board of Directors  
International GAAP Holdings Limited  
167 Admin Ave  
Sydney NSW 2000

12 March 2026

Dear Board Members

## Auditor's Independence Declaration to International GAAP Holdings Limited

s.298(1AA)(c), s.307C,  
ASIC-CI 2016/188

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of International GAAP Holdings Limited.

As lead audit partner for the audit of the financial report and review of the sustainability report of International GAAP Holdings Limited for the financial year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report and review of the sustainability report; and
- (ii) any applicable code of professional conduct in relation to the audit or review.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

T.L. Green  
Partner  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

## Source

s.307C(1), (3)

If an audit firm, audit company or individual auditor conducts an audit or review of the financial report or an audit or review<sup>85</sup> of the sustainability report for the financial year, the individual or lead auditor must give the directors of the company, registered scheme, registrable superannuation entity or disclosing entity a written declaration that, to the best of the individual or lead auditor's knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act in relation to the audit or review
- No contraventions of any applicable code of professional conduct in relation to the audit or review.

Alternatively, if contraventions have occurred, the auditor is required to set out those contraventions in a written declaration that, and include a statement in the declaration that to the best of the individual or lead auditor's knowledge and belief, those contraventions are the only contraventions of:

- The auditor independence requirements of the Corporations Act in relation to the audit or review, or
- Any applicable code of professional conduct in relation to the audit or review.

s.307C(5)(a)

The auditor's independence declaration must be given when the audit report is given to the directors of the company, registered scheme, registrable superannuation entity or disclosing entity (other than when the conditions in s.307(5A) are satisfied – see below) and must be signed by the person making the declaration.

s.307C(5A)

A declaration under s.307C(1) or s.307C(3) in relation to financial report or sustainability report for a financial year satisfies the conditions in this subsection if:

- The declaration is given to the directors of the company, registered scheme, registrable superannuation entity or disclosing entity before the directors pass a resolution under s.298(2) in relation to the directors' report for the financial year
- A director signs the directors' report within 7 days after the declaration is given to the directors
- The auditors' report on the financial report or sustainability report is made within 7 days after the directors' report is signed
- The auditors' report includes either of the following statements:
  - A statement to the effect that the declaration would be in the same terms if it had been given to the directors at the time that auditors' report was made
  - A statement to the effect that circumstances have changed since the declaration was given to the directors, and setting out how the declaration would differ if it had been given to the directors at the time the auditor's report was made.

s.307C(5B)

An individual auditor or lead auditor is not required to give a declaration under s.307C(1) and s.307C(3) in respect of a contravention if:

- The contravention was a contravention by a person of s.324CE(2) or s.324CG(2) (strict liability contravention of specific independence requirements by individual auditor or audit firm), or s.324CF(2) (contravention of independence requirements by members of audit firms)
- The person does not commit an offence because of s.324CE(4), s.324CF(4) or s.324CG(4) (quality control system defence).

<sup>85</sup> Though s.307C of Corporations Act refers to an audit of sustainability report only, s.1707E clarifies that references to audit include a reference to a review of a sustainability report where AUASB requires a sustainability report to be reviewed to any extent. Further, the [Explanatory Memorandum](#) to *Treasury Law Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* (which modified the Corporations Act to introduce mandatory sustainability reporting in Australia) states that the auditor's independence declaration must be provided when the auditor is conducting an audit or a review of the sustainability report (par. 4.138).

## Source

s.301(5), 298(1AA),  
(1AC)

A company that is eligible to adopt the corporate governance concessions available to certain crowd-sourced funded public companies is not required to include a copy of the auditor's independence declaration in its financial report where an auditor has not been appointed or where an audit is not required due to the operation of the concessions.



# Independent auditor's report

## Source

An independent auditor's report is prepared by the auditor in accordance with the Australian Auditing Standards.

### Duty to form an opinion

The auditor is required to form an opinion on the following:

- s.307(a), s.308(1)
  - Whether the financial report is in accordance with the Corporations Act, including:
    - Whether the financial report complies with Australian Accounting Standards
    - Whether the financial report gives a true and fair view of the financial performance and position of the entity (or consolidated entity)
- s.307(aa)
  - If the financial report includes additional information under s.295(3)(c) (information included to give true and fair view of financial position and performance) – whether the inclusion of that additional information was necessary to give the true and fair view required by s.297
- s.307(b)
  - Whether the auditor has been given all information, explanations and assistance necessary for the conduct of the audit
- s.307(c)
  - Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept financial records sufficient to enable a financial report to be prepared and audited
- s.307(d)
  - Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept other records and registers as required by the Corporations Act
- s.308(3C)
  - If the directors' report for the financial year includes a remuneration report, whether the auditor is of the opinion that the remuneration report complies with s.300A of the Corporations Act. If not of that opinion, the auditor's report must say why
- s.308(3)(b)

The auditor is required to include in the audit report particulars of any deficiency, failure or shortcoming in respect of any matter referred to in s.307(b), (c) or (d) above (see "Duty to report" below).

### Qualified audit opinions

- s.308(2)

Where, in the auditor's opinion, there has been a departure from a particular Australian Accounting Standard, the audit report must, to the extent that is practicable to do so, quantify the effect that non-compliance has on the financial report. If it is not practicable to quantify the effect fully, the report must say why.

## Source

s.308(3)

### Duty to report

The auditor's report must describe:

s.308(3)(a)  
s.308(3)(b)

- Any defect or irregularity in the financial report
- Any deficiency, failure or shortcoming in respect of the matters referred to in s.307(b), (c) or (d), i.e.:

s.307(b)

- Whether the auditor has been given all information, explanations and assistance necessary for the conduct of the audit

s.307(c)

- Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept financial records sufficient to enable a financial report to be prepared and audited

s.307(d)

- Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept other records and registers as required by the Corporations Act.

s.308(3A)

The audit report must include any statements or disclosures required by the auditing standards.

s.308(3B)

If the financial report includes additional information under s.295(3)(c) (information included to give true and fair view of financial position and performance), the audit report must also include a statement of the auditor's opinion on whether the inclusion of that additional information was necessary to give the true and fair view required by s.297.

s.308(3C)

If the directors' report for the financial year includes a remuneration report, whether the auditor is of the opinion that the remuneration report complies with s.300A of the Corporations Act. If not of that opinion, the auditor's report must say why.

### Duty to inform

s.311

The auditor must inform ASIC in writing if the auditor is aware of circumstances that:

- The auditor has reasonable grounds to suspect amount to a contravention of the Corporations Act, or
- Amount to an attempt, in relation to the audit, by any person to unduly influence, coerce, manipulate or mislead a person involved in the conduct of the audit, or
- Amount to an attempt, by any person, to otherwise interfere with the proper conduct of the audit.

The auditor is required to notify ASIC in writing of the circumstances of the matters outlined above as soon as practicable and in any case within 28 days, after the auditor becomes aware of those circumstances.

ASIC-RG 34

[ASIC Regulatory Guide 34](#) *Auditor's obligations: Reporting to ASIC* provides guidance on the procedures to be followed by registered company auditors in complying with s.311 of the Corporations Act, including specific reference to evidence of a contravention, examples of contraventions and timing of notification.

### Communicating Key Audit Matters

#### Requirement to report

ASA701.5

ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report* applies to audits of general purpose financial reports of listed entities and circumstances when the auditor otherwise decides to communicate key audit matters in the auditor's report. ASA 701 also applies when the auditor is required by law or regulation to communicate key audit matters in the auditor's report. However, ASA 705 *Modifications to the Opinion in the Independent Auditor's Report* prohibits the auditor from communicating key audit matters when the auditor disclaims an opinion on the financial report, unless such reporting is required by law or regulation.

## Source

### Communicating Key Audit Matters (continued)

#### *What is required to be reported*

ASA701.11

The auditor describes each key audit matter, using an appropriate subheading, in a separate section of the auditor's report under the heading "Key Audit Matters," unless the circumstances in ASA 701.14 or ASA 701.15 apply. The introductory language in this section of the auditor's report states that:

- Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial report (of the current period), and
- These matters were addressed in the context of the audit of the financial report as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.

ASA701.14

The auditor describes each key audit matter in the auditor's report unless:

- Law or regulation precludes public disclosure about the matter, or
- In extremely rare circumstances, the auditor determines that the matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. This does not apply if the entity has publicly disclosed information about the matter.

ASA701.15

A matter giving rise to a modified opinion in accordance with ASA 705, or a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with ASA 570, are by their nature key audit matters. However, in such circumstances, these matters are not described in the Key Audit Matters section of the auditor's report.

#### *Description of individual Key Audit Matters*

ASA701.13

The description of each key audit matter in the Key Audit Matters section of the auditor's report includes a reference to the related disclosure(s), if any, in the financial report and addresses:

- Why the matter was considered to be one of most significance in the audit and therefore determined to be a key audit matter
- How the matter was addressed in the audit.

# Directors' declaration

## Source

The directors declare that, in the directors' opinion:

- s.295(4)(d) (a) the attached consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and its performance for the year ended on that date; and
  - (ii) complying with the Australian Accounting Standards and the *Corporations Regulations 2001*;
- s.295(4)(c) (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- s.295(4)(ca) (c) the attached financial statements are in compliance with IFRS<sup>86</sup> Accounting Standards<sup>86</sup>, as stated in note 1 to the consolidated financial statements; and
- s.295(4)(da) (d) the attached consolidated entity disclosure statement is true and correct<sup>87</sup>.

The following statement is required for listed companies, listed disclosing entities and listed registered schemes:

- s.295(4)(e) The directors have been given the declarations required by s.295A of the *Corporation Act 2001*.



### ASIC regulatory simplification

On 3 September 2025, ASIC released a [report](#) on regulatory simplification, which outlines ASIC's progress on simplification in the way ASIC administers the law in areas where it regulates and seeking input on further initiatives (see section C2.8). The report proposes consolidating and streamlining 21 identified Corporations Instruments related to financial reporting, accounting and auditing.

At the date of finalisation of this document (24 September 2025), the consolidated Corporations Instrument and updated guidance had not been issued. In the event the proposals are finalised in their [current form](#), the citations in the illustrative example below will need to refer to the new consolidated Corporations Instrument from the date it is effective.

Where the entity and its closely-held subsidiaries have entered into a deed of cross guarantee pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, the following statements must be included in order to be compliant with the conditions of the Instrument:

<sup>86</sup> The IFRS Foundation refers to International Financial Reporting Standards as comprising IFRS Accounting Standards (issued by the IASB) and IFRS Sustainability Disclosure Standards (issued by the ISSB). Section 295(4)(ca) of the Corporations Act requires "if the company, registered scheme or disclosing entity has included in the notes to the financial statements, in compliance with the accounting standards, an explicit and unreserved statement of compliance with *international financial reporting standards*—that this statement has been included in the notes to the financial statements" (emphasis added). AASB 101 *Presentation of Financial Statements* requires that "[a]n entity whose financial statements comply with IFRSs shall make an explicit and unreserved statement of such compliance in the notes". This illustrative example refers to "IFRS Accounting Standards" but other wording may also be acceptable.

<sup>87</sup> This statement is required by public companies (listed and unlisted) as only those entities are required to present a consolidated entity disclosure statement. For listed public companies, the chief executive officer and chief financial officer must also include a statement in their declaration to the directors given under s.295A that the consolidated entity disclosure statement is true and correct.

## Source

At the date of this declaration, the company is within the class of companies affected by *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

ASIC-CI 2016/785,  
s.6(w)

In the directors' opinion, there are reasonable grounds to believe that the company and the companies to which *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* applies, as detailed in note 20 to the financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

s.295(5)

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

(Signature)  
C.J. Chambers  
Director

Sydney, 12 March 2026

# Consolidated statement of financial position

as at 31 December 2025

## Source

AASB 101:10(a),(ea),(f)  
51(b),(c), 113  
AASB 101:51(d), (e)  
AASB 101:10(f), 40A

|                                   | Notes | 31/12/2025<br>\$'000 | 31/12/2024<br>\$'000<br>(restated)* | 01/01/2023<br>\$'000<br>(restated)* |
|-----------------------------------|-------|----------------------|-------------------------------------|-------------------------------------|
| <b>Assets</b>                     |       |                      |                                     |                                     |
| <b>Current assets</b>             |       |                      |                                     |                                     |
| AASB 101:60-61, 66-68             |       |                      |                                     |                                     |
| AASB 101:54(i)                    |       |                      |                                     |                                     |
| AASB 101:54(h),<br>AASB 15:116(a) | 31    |                      |                                     |                                     |
| AASB 15:105, 116(a)               | 27    |                      |                                     |                                     |
| AASB 15:105                       | 28    |                      |                                     |                                     |
| AASB 15:B21                       | 26    |                      |                                     |                                     |
| AASB 101:54(d), 55                | 29    |                      |                                     |                                     |
| AASB 101:54(d), 55                | 24    |                      |                                     |                                     |
| AASB 101:54(d), 55                | 34    |                      |                                     |                                     |
| AASB 101:54(g)                    | 25    |                      |                                     |                                     |
| AASB 101:55(n)                    |       |                      |                                     |                                     |
| AASB 101:55                       |       |                      |                                     |                                     |
|                                   |       |                      |                                     |                                     |
| AASB 101:54(j)                    |       |                      |                                     |                                     |
| AASB 5:38-39                      | 13    |                      |                                     |                                     |
|                                   |       |                      |                                     |                                     |
| <b>Total current assets</b>       |       |                      |                                     |                                     |
|                                   |       |                      |                                     |                                     |
| <b>Non-current assets</b>         |       |                      |                                     |                                     |
| AASB 101:60-61, 66-68             |       |                      |                                     |                                     |
| AASB 15:105, 116(a)               | 27    |                      |                                     |                                     |
| AASB 15:105                       | 28    |                      |                                     |                                     |
| AASB 101:54(d), 55                | 24    |                      |                                     |                                     |
| AASB 101:54(d), 55                | 29    |                      |                                     |                                     |
| AASB 101:54(d), 55                | 34    |                      |                                     |                                     |
| AASB 101:54(a)                    | 18    |                      |                                     |                                     |
| AASB 16:47(a)                     | 30    |                      |                                     |                                     |
| AASB 101:54(b)                    | 19    |                      |                                     |                                     |
| AASB 101:54(e), 55                | 21    |                      |                                     |                                     |
| AASB 101:54(e), 55                | 22    |                      |                                     |                                     |
| AASB 101:55                       | 16    |                      |                                     |                                     |
| AASB 101:54(c)                    | 17    |                      |                                     |                                     |
| AASB 101:54(o), 56                | 35    |                      |                                     |                                     |
| AASB 101:55                       |       |                      |                                     |                                     |
|                                   |       |                      |                                     |                                     |
| <b>Total non-current assets</b>   |       |                      |                                     |                                     |
|                                   |       |                      |                                     |                                     |
| <b>Total assets</b>               |       |                      |                                     |                                     |
|                                   |       |                      |                                     |                                     |

# Source

AASB 101:10(a),(ea),(f)  
51(b),(c), 113  
AASB 101:51(d), (e)  
AASB 101:10(f), 40A

|                                      |                                                           | Notes   | 31/12/2025<br>\$'000 | 31/12/2024<br>\$'000<br>(restated)* | 01/01/2023<br>\$'000<br>(restated)* |
|--------------------------------------|-----------------------------------------------------------|---------|----------------------|-------------------------------------|-------------------------------------|
| <b>Liabilities</b>                   |                                                           |         |                      |                                     |                                     |
| <b>Current liabilities</b>           |                                                           |         |                      |                                     |                                     |
| AASB 101:60-61                       | Trade and other payables                                  | 37      |                      |                                     |                                     |
| AASB 101:54(k)                       | Contract liabilities                                      | 60      |                      |                                     |                                     |
| AASB 15:105, 116(a)                  | Refund liability                                          | 61      |                      |                                     |                                     |
| AASB 15:B21, 119(d)                  | Lease liabilities                                         | 36      |                      |                                     |                                     |
| AASB 101:54(m), 55                   | Borrowings                                                | 32      |                      |                                     |                                     |
| AASB 16:47(b)                        | Derivative financial instruments                          | 34      |                      |                                     |                                     |
| AASB 101:54(m), 55                   | Other financial liabilities                               | 38      |                      |                                     |                                     |
| AASB 101:54(n)                       | Current tax liabilities                                   |         |                      |                                     |                                     |
| AASB 101:54(m), 55                   | Deferred income – government grant                        | 59      |                      |                                     |                                     |
| AASB 101:54(l)                       | Provisions                                                | 39      |                      |                                     |                                     |
| AASB 101:55                          | Other <i>[describe]</i>                                   |         |                      |                                     |                                     |
| <b>Total current liabilities</b>     |                                                           |         |                      |                                     |                                     |
| <b>Non-current liabilities</b>       |                                                           |         |                      |                                     |                                     |
| AASB 101:60-61                       | Contract liabilities                                      | 60      |                      |                                     |                                     |
| AASB 15:105, 116(a)                  | Lease liabilities                                         | 36      |                      |                                     |                                     |
| AASB 16:47(b)                        | Borrowings                                                | 32      |                      |                                     |                                     |
| AASB 101:54(m), 55                   | Convertible loan notes                                    | 33      |                      |                                     |                                     |
| AASB 101:54(m)                       | Other financial liabilities                               | 38      |                      |                                     |                                     |
| AASB 101:54(m), 55                   | Liability for share-based payments                        | 57      |                      |                                     |                                     |
| AASB 101:55                          | Retirement benefit obligations                            | 58      |                      |                                     |                                     |
| AASB 101:55                          | Deferred income – government grant                        | 59      |                      |                                     |                                     |
| AASB 101:54(l)                       | Provisions                                                | 39      |                      |                                     |                                     |
| AASB 101:54(o), 56                   | Deferred tax liabilities                                  | 35      |                      |                                     |                                     |
| AASB 101:55                          | Other <i>[describe]</i>                                   |         |                      |                                     |                                     |
| <b>Total non-current liabilities</b> |                                                           |         |                      |                                     |                                     |
| <b>Total liabilities</b>             |                                                           |         |                      |                                     |                                     |
| <b>Net assets</b>                    |                                                           |         |                      |                                     |                                     |
| <b>Equity</b>                        |                                                           |         |                      |                                     |                                     |
| <b>Capital and reserves</b>          |                                                           |         |                      |                                     |                                     |
| AASB 101:55                          | Share capital                                             | 40      |                      |                                     |                                     |
| AASB 101:55                          | Reserves                                                  | 43 - 49 |                      |                                     |                                     |
| AASB 101:55                          | Retained earnings                                         | 50      |                      |                                     |                                     |
| AASB 101:54(r)                       | <b>Equity attributable to owners of the parent entity</b> |         |                      |                                     |                                     |
| AASB 101:54(q), 10:22                | Non-controlling interests                                 | 51      |                      |                                     |                                     |
| AASB 101:55-55A                      | <b>Total equity</b>                                       |         |                      |                                     |                                     |

\*The comparative information has been restated as a result of *[describe]* as discussed in note 2

**Source**

AASB 101:40A

AASB 101:40C

AASB 101:40A requires an entity to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) if:

- It applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements
- The retrospective application, retrospective restatement or the reclassification has a material effect on the information in the third statement of financial position.

Other than disclosures of certain specified information as required by AASB 101:41-44 and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the related notes to the third statement of financial position are not required to be disclosed.



# Notes to the consolidated financial statements

## Source

### 1. General information

#### Statement of compliance

**AASB 1054:7, 8, 9** These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

**AASB 1054:8(b)** The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

**AASB 101:16** Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS Accounting Standards as issued by the IASB<sup>88</sup>.

#### Summary of requirements

**AASB 1054:7** An entity whose financial statements comply with Australian Accounting Standards makes an explicit and unreserved statement of such compliance in the notes. An entity does not describe financial statements as complying with Australian Accounting Standards unless they comply with all the requirements of Australian Accounting Standards.

**AASB 1054:8** An entity discloses in the notes:

- The statutory basis or other reporting framework, if any, under which the financial statements are prepared
- Whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.

**AASB 1054:9** An entity discloses in the notes whether the financial statements are general purpose financial statements or special purpose financial statements.

<sup>88</sup> The IFRS Foundation refers to International Financial Reporting Standards as comprising IFRS Accounting Standards (issued by the IASB) and IFRS Sustainability Disclosure Standards (issued by the ISSB). Section 295(4)(ca) of the *Corporations Act* requires “if the company, registered scheme or disclosing entity has included in the notes to the financial statements, in compliance with the accounting standards, an explicit and unreserved statement of compliance with *international financial reporting standards*—that this statement has been included in the notes to the financial statements” (emphasis added). AASB 101 *Presentation of Financial Statements* requires that “[a]n entity whose financial statements comply with IFRSs shall make an explicit and unreserved statement of such compliance in the notes”. This illustrative example refers to “IFRS Accounting Standards” but other wording may also be acceptable.

Source

AASB 101:51(d)

1. General information (continued)

Presentation currency and rounding

These financial statements are presented in Australian Dollars (\$). Foreign operations are included in accordance with the policies set out in note 3.



ASIC regulatory simplification

On 3 September 2025, ASIC released a [report](#) on regulatory simplification, which outlines ASIC’s progress on simplification in the way ASIC administers the law in areas where it regulates and seeking input on further initiatives (see section C2.8). The report proposes consolidating and streamlining 21 identified Corporations Instruments related to financial reporting, accounting and auditing.

At the date of finalisation of this document (24 September 2025), the consolidated Corporations Instrument and updated guidance had not been issued. In the event the proposals are finalised in their [current form](#), the citations in the illustrative example below will need to refer to the new consolidated Corporations Instrument from the date it is effective.

If the company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191* and consequently the amounts in the directors’ report and the financial statements are rounded, that fact must be disclosed in the financial statements or the directors’ report.

Where the conditions of the Corporations Instrument are met, entities may round to the nearest dollar, nearest thousand dollars, nearest hundred thousand dollars, or to the nearest million dollars, depending upon the total assets of the entity. The appropriate rounding should be included in the disclosure below:

ASIC-CI 2016/191,  
Clause 5(2)(f)  
AASB 101:51(e)

The company is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191* and in accordance with that Corporations Instrument amounts the financial report are rounded off to the nearest *[dollar / thousand dollars / hundred thousand dollars / million dollars]*, unless otherwise indicated.

ASIC-CI 2016/191

Where the Corporations Instrument is applied, certain amounts in the financial statements are required to be rounded to differing levels of precision. It is important to ensure these amounts are shown using the correct level of precision and column headings and narrative information uses the correct level of rounding as required by the Corporations Instrument.

Not-for-profit entities and public sector entities should only refer to the ASIC Corporations Instrument when they are preparing financial statements in accordance with the Corporations Act.

## Source

## 2. Adoption of new and revised Australian Accounting Standards

### How to use this section in conjunction with the core model financial statements

Note 2 of the *Core model financial statements* sets out new and amended IFRS Accounting Standards that are effective for the current year and new and revised IFRS Accounting Standards in issue but not yet effective.

This note should be replaced with the illustrative disclosures below which set out:

- Amendments to Australian Accounting Standards that are mandatorily effective for the current period, i.e. for the year ending 31 December 2025
- New and revised Australian Accounting Standards that are not mandatorily effective (but allow early application) for the year ending 31 December 2025
- IFRS Accounting Standards and IFRIC Interpretations for which equivalent Australian Accounting Standards and Interpretations have not yet been issued.

Entities are required to disclose in their financial statements the potential impact of new and revised Australian Accounting Standards that have been issued but are not yet effective. The disclosures reflect a cut-off date of 24 September 2025. The potential impact of any new or revised Standards and Interpretations issued by the AASB or IASB after this date, but before the issue of the financial statements, should also be considered and disclosed where material.

The impact of the application of the new and revised Australian Accounting Standards (see below) is for illustrative purposes only. Entities should analyse and disclose the impact based on their specific facts and circumstances.

The example wording in this section has been provided to assist with compliance of the requirements of AASB 108:28. The disclosures required by AASB 108:28 are only provided where the effect on the current period or any prior period is material.

In this section we have illustrated how this information may be given in a succinct format, in order to avoid unnecessary disclosures in financial statements. Where the first-time or future application of a pronouncement has, or is expected to have, a significant impact on the financial statements, additional disclosures should be considered.

AASB 108:28  
AASB 101:31

## 2. Adoption of new and revised Australian Accounting Standards (continued)



### Considering Australian Sustainability Reporting Standards in the disclosures about Standards effective for the current year or not yet effective

The following Australian Sustainability Reporting Standards were approved by the AASB at its meeting held on [20 September 2024](#):

- [AASB S1](#) *General Requirements for Disclosure of Sustainability-related Financial Information* (voluntary)
- [AASB S2](#) *Climate-related Disclosures* (mandatory for sustainability reports under the Corporations Act).

Although the Australian Sustainability Reporting Standards are applicable to annual reporting periods beginning on or after 1 January 2025, only entities in Group 1 are required to prepare sustainability reports from that date under the Corporations Act. Accordingly, entities in Group 2 and Group 3 will apply the standards for annual reporting periods beginning on or after 1 July 2026 and 1 July 2027 respectively (i.e. when the Corporations Act requires those entities to prepare a sustainability report).

The question then becomes whether disclosure about those Standards is required in financial statements prepared after their issue, either for the periods when they are not effective or are applied for the first time.

Australian Sustainability Reporting Standards are distinct from Australian Accounting Standards, although both series of Standards are made by the AASB. AASB 108 requires entities to disclose information about *Australian Accounting Standards* that have an effect on the current period or any prior period in the year of initial application and on issue but which are not effective.

Therefore, there is no requirement for entities to make disclosures about the impacts or likely impacts of AASB S1 and AASB S2 in their financial reports.

There is no prohibition on entities including additional information related to adoption of AASB S1 and/or AASB S2 in their financial statements. However, information about the adoption or future adoption of AASB S1 and/or AASB S2 may be more appropriately included in the directors' report accompanying the financial report (as the future sustainability report is, or will be, a separate report to the financial report).

2. Adoption of new and revised Australian Accounting Standards  
(continued)

2.1 New and amended Australian Accounting Standards that are effective for the current year

AASB 101:31

There is no requirement to present a full listing of mandatorily effective standards. Disclosures should only include Australian Accounting Standards, amendments to Australian Accounting Standards and other pronouncements that:

- Are mandatorily effective for the current period
- Are applicable to the entity's circumstances
- Have a material impact on the entity, or where the information disclosed is material.

AASB 108:28(a), (b), (c), (d)

The Group has adopted all the new and revised Standards *[and Interpretations]* issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2025.

The revised Standard effective for the current year that is relevant to the Group is:

| Pronouncement                                                                              | Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB 2023-5 <i>Amendments to Australian Accounting Standards – Lack of Exchangeability</i> | <p>Specifies how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>The Group has operations in <i>[A Land]</i> where the <i>[X currency]</i> is not exchangeable at the measurement date. The Group used <i>[describe e.g. the rate observed in an unregulated broker market]</i> as an estimated spot rate for translating the foreign operation to the Group's presentation currency as of the beginning of the reporting period and recognised the resulting effect of \$___ as an adjustment to the foreign exchange translation reserve accumulated in equity.</p> |

## 2. Adoption of new and revised Australian Accounting Standards (continued)

AASB 108:30 - 31

### 2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

Entities are required to disclose in their financial statements the potential impact of new and revised Australian Accounting Standards that have been issued but are not yet effective. The disclosures below reflect a cut-off date of 24 September 2025. The potential impact of the application of any new and revised Australian Accounting Standards issued by the AASB or IASB after 24 September 2025 but before the financial statements are issued should also be considered and disclosed.

Having completed an assessment of the impact of the various pronouncements in issue but not yet effective, the example disclosures that follow should be tailored as appropriate for the entity. In some cases, an entity may not yet have determined the impact and therefore may state *“The potential effect of the revised Standards/Interpretations on the Group’s financial statements has not yet been determined.”*

However, entities should consider the expectations of regulators (e.g. ASIC) when assessing the impact of pronouncements in issue but not yet effective and how detailed the disclosures need to be.

The impact of the application of the new and revised Australian Accounting Standards (see below) is for illustrative purposes only. Entities should analyse the impact based on their specific facts and circumstances.

AASB 108:30

When an entity has not applied a new Australian Accounting Standard that has been issued but is not yet effective, the entity discloses:

- This fact
- Known or reasonably estimable information relevant to assessing the possible impact that application of the new Accounting Standard will have on the entity’s financial report in the period of initial application.

AASB 108:31

In complying with the requirements above, an entity considers disclosing:

- The title of the new Australian Accounting Standard
- The nature of the impending change or changes in accounting policy
- The date by which application of the Australian Accounting Standard is required
- The date as at which it plans to apply the Australian Accounting Standard initially
- Either:
  - A discussion of the impact that initial application of the Australian Accounting Standard is expected to have on the entity’s financial report, or
  - If that impact is not known or reasonably estimable, a statement to that effect.

2. Adoption of new and revised Australian Accounting Standards  
(continued)

2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 108:30, 31 At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

AASB 108:31(a), (c), (d)

| Standard/amendment                                                                                                                                                                   | Effective for annual reporting periods beginning on or after | Nature of the change and expected impact                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (as amended) <sup>89</sup> | 1 January 2028 <sup>90</sup>                                 | Limits the recognition of gain or loss arising from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture to the extent of the unrelated investors’ interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries.<br><br>These amendments may impact the Group’s consolidated financial statements in future periods should such transactions arise. |

<sup>89</sup> AASB 2014-10 has been amended by AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*, AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*, AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* and AASB 2024-4b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*.

<sup>90</sup> In September 2024 the IASB published an exposure draft IASB/ED/2024/7 *Equity Method of Accounting* to address broader questions about application of the equity method of accounting, including accounting of transactions between an investor and its associate or joint venture. The IASB is now proposing to require an investor to recognise in full gains and losses resulting from all “upstream” and “downstream” transactions with its associates or joint ventures, including transactions involving the loss of control of a subsidiary. As this proposal is different from the previous amendments to IFRS 10 and IAS 28 (and the equivalent AASB 2014-10), the IASB is proposing to abandon the amendments. The Exposure Draft was open for comments to IASB until 20 January 2025 and to AASB until 22 November 2024. Please watch out for the updates from the AASB in respect of application of the progress with the [Exposure Draft](#) and the amendments in AASB 2014-10.

## 2. Adoption of new and revised Australian Accounting Standards (continued)

### 2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 108:31(a), (c), (d)

| Standard/amendment                                                                                                         | Effective for annual reporting periods beginning on or after                                                           | Nature of the change and expected impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB 18 <i>Presentation and Disclosure in Financial Statements</i>                                                         | 1 January 2027<br>(for-profit entities)<br><br>1 January 2028<br>(not-for-profit entities and superannuation entities) | AASB 18 replaces AASB 101 <i>Presentation of Financial Statements</i> . It will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| AASB 2024-2 <i>Amendments to Australian Accounting Standards - Classification and measurement of financial instruments</i> | 1 January 2026                                                                                                         | Amends AASB 9 <i>Financial Instruments</i> to introduce an option to derecognise financial liabilities settled through electronic transfer before the settlement date, clarifies how contractual cash flows should be assessed for financial assets with environmental, social and governance (ESG) and similar features, includes additional guidance in respect of non-recourse features and contractually linked instruments and amends specific disclosure requirements. The Group is currently evaluating the expected impact of these amendments on the financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| AASB 2025-1 <i>Amendments to Australian Accounting Standards - Contracts Referencing Nature-dependent Electricity</i>      | 1 January 2026                                                                                                         | Amends AASB 9 <i>Financial Instruments</i> and AASB 7 <i>Financial Instruments: Disclosures</i> by introducing additional guidance for contracts referencing nature-dependent electricity (often structured as power purchase agreements), including contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. Amendments added application guidance to AASB 9 to clarify the “own-use” criteria for contracts to buy electricity generated from nature-dependent sources. In respect of hedges for forecast electricity transactions the amendments to AASB 9 permit a variable nominal amount of the forecast electricity transaction to be designated as the hedged item that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument. The Group is currently evaluating the expected impact of these amendments on the financial statements. |



## 2. Adoption of new and revised Australian Accounting Standards (continued)

### 2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

#### New and revised Australian Accounting Standards and Interpretations on issue but not yet effective for not-for-profit and public sector entities

AASB 108:31(a), (c), (d)

| Standard/amendment                                                                                                                                                                                                                                                                                       | Effective for<br>annual reporting<br>periods beginning<br>on or after | Nature of the change and expected impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB 17 <i>Insurance Contracts</i> (and related amending Standards),<br>AASB 2022-8 <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i> and AASB 2022 9 <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i> | 1 January 2027                                                        | <p>AASB 2022-8 applies to annual periods beginning on or after 1 January 2023, in order to defer the application of AASB 17 to public sector entities from that date until periods beginning on or after 1 July 2026.</p> <p>This Standard also makes amendments to all Australian Accounting Standards that refer to AASB 17 to permit public sector entities (both for-profit and not-for-profit entities) to continue to apply AASB 4 <i>Insurance Contracts</i> and AASB 1023 <i>General Insurance Contracts</i> until annual periods beginning on or after 1 July 2026.</p> <p>AASB 2022-9 amends AASB 17 to include modifications that apply to public sector entities.</p> <p>This Standard also amends AASB 1050 <i>Administered Items</i> to provide an accounting policy choice for government departments to apply either AASB 17 or AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> in determining the information to be disclosed about administered captive insurer activities.</p> <p>The Group is not a public sector entity and does not issue insurance contracts. Therefore AASB 17 (and the related amending Standards) is not applicable to the Group and therefore not expected to impact the Group's consolidated financial statements.</p> |

2. Adoption of new and revised Australian Accounting Standards  
(continued)

2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 1054:17

In addition, at the date of authorisation of the financial statements the following IFRS Accounting Standards were on issue for which equivalent Australian Accounting Standards have not been issued:

| Standard/amendment | Effective for annual reporting periods beginning on or after |            |
|--------------------|--------------------------------------------------------------|------------|
|                    | after                                                        | Impact     |
| [Describe if any]  | [Date]                                                       | [Describe] |

Other pronouncements

The pronouncement below which is not effective for the current year has not been included in the illustrative disclosures above as it is not material to the Group:

- AASB 2024-3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11*.

In addition, the illustrative disclosures do not include the effect of the below pronouncements that were issued by the International Accounting Standards Board (IASB), but are not applicable to Tier 1 financial statements:

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* and *Amendments to IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’*
- IFRS for SMEs Accounting Standard (Third edition)*.

Equivalent pronouncements have not been issued by the AASB at the date of this publication<sup>91</sup>.

<sup>91</sup> IFRS 19 was developed in a process that ostensibly follows the approach adopted by the AASB in developing AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. However, disclosure differences exist between IFRS 19 and AASB 1060 (e.g. IFRS 19 requires more disclosures about financial instruments, impairment and pronouncements on issue which have not yet been applied). Furthermore, the scope of IFRS 19 is significantly narrower than AASB 1060 (as AASB 1060 applies to all entities without public accountability that are required to comply with Australian Accounting Standards). The AASB is considering whether, and if so, how, to introduce IFRS 19 in the Australian context. On [24 September 2025](#), the AASB issued [Invitation to Comment ITC 56](#) *Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2* covering a post-implementation review of AASB 1060 and a review of AASB 1060 in light of changes to the *IFRS for SMEs Accounting Standard*, *AASB 18 Presentation and Disclosure in Financial Statements* and IFRS 19. The Invitation to Comment considers several options, including amendments to AASB 1060 to align with IFRS 19 or the *IFRS for SMEs Accounting Standard (Third edition)* AASB 1060 being replaced, or IFRS 19 issued alongside AASB 1060. The Invitation to Comment is open for comment until 22 January 2026.

## Source

### 3. Accounting policies

#### Example material accounting policy information for mining entities

The following example material accounting policy information may be relevant for entities operating in the resources industry. Entities will need to edit and adapt the illustrative examples below to reflect their entity's policies and circumstances. The matters disclosed will be dictated by the circumstances of the individual entity, and by the significance of judgements and estimates made to the performance and financial position of the entity.

An entity may choose to include such disclosures in the relevant asset and liability notes, or as part of the relevant material accounting policy information disclosures.

#### Provision for restoration and rehabilitation<sup>92</sup>

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of *[exploration, development, production, transportation or storage]* activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of *[removing infrastructure, abandoning sites/wells and restoring the affected areas]*.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, *[based on current legal and other requirements and technology]*. Future restoration costs are reviewed annually and any changes in the estimates are reflected in the present value of the restoration provision at each reporting date. Changes in the estimates include:

- Updated cost estimates
- Changes to technology
- Changes in regulations and revised impact of climate change
- Revised discount rates
- Revised estimated operating lives
- Revised timing of activities relating to closure.

The initial estimate of the restoration and rehabilitation provision relating to *[exploration, development and milling/production facilities]* is capitalised into the cost of the related asset and *[depreciated/amortised]* on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Costs related to sites which are closed and *[describe]* expenses are recognised as an expense in *[describe the line item]* in profit or loss.

AASB 6:11

<sup>92</sup> As part of its surveillance activities, ASIC has raised a number of matters on the need for, and adequacy of, provisions (see section A4.2). Entities should consider ASIC's observations as a result of this surveillance. In addition, where restoration and rehabilitation provisions are material, consideration should be given to ensuring adequate disclosure of the judgements made that have the most significant effects on the amounts recognised. Disclosure of information about assumptions made about the future and the major sources of estimation uncertainty should also be considered, which may include sensitivity analyses where appropriate.

## Source

### 3. Accounting policies (continued)

#### Example material accounting policy information for mining entities (continued)

##### Exploration and evaluation

The following illustrative accounting policy information disclosure assumes that an entity has adopted an “area of interest” approach towards the capitalisation of exploration and evaluation, as permitted by paragraph Aus7.2 of AASB 6 *Exploration for and Evaluation of Mineral Resources*<sup>93</sup>. Where other approaches are adopted, the following wording will need to be edited as appropriate:

AASB 6: Aus7.2

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- The rights to tenure of the area of interest are current
- At least one of the following conditions is also met:
  - The exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale, or
  - Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

AASB 6:8-9

Exploration and evaluation assets are initially measured at cost which includes the following expenditures: *[acquisition of rights to explore, topographical, geological, geochemical and geophysical studies; exploratory drilling, trenching and sampling and associated activities]* and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation assets where they are related directly to operational activities in a particular area of interest.

AASB 6:18

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to *[development]*.

<sup>93</sup> AASB 6 *Exploration for and Evaluation of Mineral Resources* contains Australian-specific requirements that requires expenditures incurred in the exploration for and evaluation of mineral resources to either be (1) expensed as incurred; or (2) partially or fully capitalised and recognised as an exploration and evaluation asset (where additional conditions are met). This decision is required to be made on an ‘area of interest’ basis and the unit of account for exploration and evaluation expenditures is an area of interest. IFRS 6 *Exploration for and Evaluation of Mineral Resources* does not contain equivalent requirements in relation to identifying the unit of account (but the Australian-specific requirements are consistent with IFRS 6). Accordingly, entities may wish to provide additional detail as outlined in this illustrative disclosure to contribute toward the entity’s compliance with IFRS Accounting Standards (as such information may be considered material accounting policy information under those standards). Judgement will be required on the extent and scope of any material accounting policy information disclosed.

## Source

### 3. Accounting policies (continued)

#### Example material accounting policy information for mining entities (continued)

##### Development

Development expenditure is recognised at cost less accumulated *[amortisation/depletion]* and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs *[together with any forecast future capital expenditure necessary to develop proved and probable reserves]* are amortised over the estimated economic life of the *[mine/field]* on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

#### Example material accounting policy information for not-for-profit and public sector entities

##### Revenue recognition (not-for-profit and public sector)

The Group recognises income from its main revenue/income streams, as listed below:

- Government grants
- Donations and bequests
- Capital grants.

##### Capital grants – Buildings

For capital grants received under an enforceable agreement where it includes a transfer to enable the Group to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by the Group when completed, the Group recognises a liability for the excess of the fair value of the transfer over any related amounts recognised and recognises income as it satisfies its obligations under the transfer.

As the capital grants received by the Group are primarily for the construction of buildings, the Group recognises income as the buildings are constructed (when it satisfies its obligations).

##### Unrecognised revenue

##### Volunteer services (not-for-profit private sector entities only)

The Group regularly receives volunteer services as part of its operations. Under AASB 1058, private sector not-for-profit entities have a policy option to account for donated services at fair value if the fair value can be reliably measured.

While the Group has assessed that the fair value of its volunteer services can be reliably measured, it has decided to adopt the policy option not to recognise volunteer services. Accordingly, no amounts are recognised in the financial statements for volunteer services.

##### Donated inventories

As part of its operations, the Group receives donations of goods which may then be used in its activities. AASB 102 *Inventories* requires the donated inventories to be measured at current replacement cost and any related amounts to be accounted for under AASB 1058.

The Group has decided to make use of the practical expedient under AASB 102 *Inventories* and apply the materiality assessment at the individual item level (instead of the portfolio level) when recognising donated inventories. Based on an assessment, the Group has noted that it only receives individually immaterial donations of inventory and accordingly will not be required to recognise such donated inventories. Accordingly, no amounts are recognised in the financial statements for donated inventories.

AASB 108:28

AASB 108:31

AASB 1058:19

AASB 102:Aus10.1-  
Aus10.2

## Source

### 3. Accounting policies (continued)

#### Example material accounting policy information for not-for-profit and public sector entities (continued)

##### Leases at significantly below-market terms and conditions (concessionary leases) (not-for-profit entities and public sector entities)

For the concessionary leases, the Group has decided to make use of the option in AASB 16 to measure the right-of-use assets at cost on initial recognition. The Group has also made the necessary disclosures in note 31 for each material concessionary lease as required by AASB 16:Aus59.1-2.

The Group has also decided to apply AASB 16 to treat right-of-use assets arising under concessionary leases as a separate class of right-of-use assets to right-of-use assets arising under other leases for the purposes of AASB 16.

### 4. Critical accounting judgements and key sources of estimation uncertainty

#### Revenue recognition (not-for-profit entities and public sector)

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Group has to determine if the contract is “enforceable” and contains “sufficiently specific” performance obligations. When assessing whether the performance obligations are “sufficiently specific”, the Group has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties.

Income recognition from grants received by the Group has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

*[Expand as necessary to highlight any specific areas that were assessed, and the judgements made]*

## Source

AASB 1058:26

AASB 1058:26

AASB 1058:26

**5. Revenue (not-for-profit entities)****31/12/2025****31/12/2024****\$'000****\$'000**

Government grant

Donations and bequests

Capital grants

**Total****Capital grants**

The entity has recognised the following liabilities arising from capital grants received to construct an asset to be controlled by the entity:

**31/12/2025****31/12/2024****\$'000****\$'000**

AASB 1058:31

Included in contract liabilities from contracts with customers are capital grants received as follows:

**Balance as at 1 January**

Additional grants received during the year

Revenue recognised in profit or loss

Refunds during the year

**Balance as at 31 December**

AASB 1058:32

As the capital grants received by the Group are primarily for the construction of buildings, the Group recognises income as the buildings are constructed (as it satisfies its obligation).

## 14. Dividends

AASB 101:137

On 23 February 2026, the directors declared a fully franked final dividend of \_\_\_\_ cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 31 December 2025 to be paid to shareholders on 6 April 2026. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated financial statements. If approved, the dividend will be paid to all shareholders on the Register of Members on 23 March 2026. The total estimated dividend to be paid is \$ \_\_\_\_.

AASR 1054.14

The information below is considered best practice for the disclosure of imputation credits (franking credits). AASB 1054 specifically requires only the disclosure of the amount of imputation credits available for use in subsequent reporting periods (i.e. the “adjusted franking account balance” in the information below). The disclosures below reconcile from the actual franking account balance at the reporting date to the adjusted franking account balance using the guidance in AASB 1054:14, and also discloses the impact of franking debits arising from declared dividends which have not been recognised as a liability in the financial statements.

|                 |                                                                                                                         | Company    |            |
|-----------------|-------------------------------------------------------------------------------------------------------------------------|------------|------------|
|                 |                                                                                                                         | 31/12/2025 | 31/12/2024 |
|                 |                                                                                                                         | \$'000     | \$'000     |
|                 | <b>Franking account balance at 31 December</b>                                                                          |            |            |
| AASB 1054:14(a) | Imputation credits that will arise from the payment of the current tax liability                                        |            |            |
| AASB 1054:14(b) | Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date         |            |            |
| AASB 1054:14(c) | Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date        |            |            |
|                 | Imputation debits that will arise from the receipt of tax loss carry backs                                              |            |            |
| AASB 1054:13    | <b>Adjusted franking account balance</b>                                                                                |            |            |
| AASB 112:81(i)  | Imputation debits that will arise from the payments of dividends declared by not recognised in the financial statements |            |            |
|                 | <b>Adjusted franking account balance after payment of unrecognised dividend amounts</b>                                 |            |            |

AASB 1054:12

The term “imputation credits” in AASB 1054:13-15 is used to also mean “franking credits”. The disclosures required by AASB 1054 are made separately in respect of any New Zealand imputation credits and any Australian imputation credits.

AASB 1054:15

Where there are different classes of investors with different entitlements to imputation credits, disclosures are made about the nature of those entitlements for each class where this is relevant to an understanding of them.



## Source

### 14. Dividends (continued)

#### Imputation credits (franking credits) (continued)

##### **Deferred franking debits**

The receipt of refundable R&D tax offsets gives rise to deferred franking debits which will reduce future franking credits. This is because a franking credit will not arise as a result of income tax payments until the deferred franking debits are recovered. The impacts of accrued refundable R&D tax offset amounts should be considered when disclosing the amount of franking credits available. This may require additional narrative or other disclosure so that users understand the future impacts of the deferred franking debits.

The following illustrative example can be adapted to develop relevant disclosures where an entity has deferred franking debits:

"As disclosed in Note [x], under the R&D Tax Incentive available under Australian tax law, the Group is eligible to receive a refundable R&D tax offset in respect of its eligible research and development expenditure. The receipt of such amounts results in deferred franking debits in the entity's franking account. The Group will not generate franking credits on the payment of corporate income tax amounts in future periods until the deferred franking debits are recovered.

The aggregate deferred franking debits at reporting date is \$ \_\_\_\_ (2024: \$ \_\_\_\_). The entity will be required to make future income tax payments of this amount before further income tax payments will give rise to franking credits. In addition, the entity has recognised a receivable in respect of the current period R&D tax offset of \$ \_\_\_\_ which will give rise to additional deferred franking debits when received."

For more information, see our [Clarity publication](#) *Accounting for the R&D tax offset*.

##### **Exempting accounts**

Exempting accounts are held by companies wholly-owned by non-residents or tax exempt institutions and are similar to franking accounts. AASB 1054 *Australian Additional Disclosures* does not specifically require the disclosure of exempting account balances, however, where considered necessary (i.e. to satisfy the information needs of the likely users of the financial report), directors may consider disclosing the exempting account balance.

Source

## 20. Subsidiaries



### ASIC regulatory simplification

On 3 September 2025, ASIC released a [report](#) on regulatory simplification, which outlines ASIC's progress on simplification in the way ASIC administers the law in areas where it regulates and seeking input on further initiatives (see section C2.8). The report proposes consolidating and streamlining 21 identified Corporations Instruments related to financial reporting, accounting and auditing.

At the date of finalisation of this document (24 September 2025), the consolidated Corporations Instrument and updated guidance had not been issued. In the event the proposals are finalised in their [current form](#), the citations in the illustrative example below will need to refer to the new consolidated Corporations Instrument from the date it is effective.

The disclosures below illustrate the requirements of *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* in respect of the consolidated financial statements. See note 20 in the core model financial statements for the remainder of the illustrative disclosures for subsidiaries.

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

AASB 124:13

| Name of subsidiary           | Principal activity                               | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group |            |
|------------------------------|--------------------------------------------------|--------------------------------------|---------------------------------------------------------------------|------------|
|                              |                                                  |                                      | 31/12/2025                                                          | 31/12/2024 |
| Subzero Limited              | Manufacture of toys                              | Australia                            | Nil                                                                 | 100%       |
| Subone Limited               | Manufacture of electronic equipment              | Australia                            | 90%                                                                 | 100%       |
| Subtwo Limited               | Manufacture of leisure goods                     | Australia                            | 85%                                                                 | 85%        |
| Subthree Limited (ii), (iii) | Construction of residential properties           | Australia                            | 100%                                                                | 100%       |
| Subfour Limited              | Manufacture of leisure goods                     | B Land                               | 70%                                                                 | 70%        |
| Subfive Limited              | Manufacture of electronic equipment and bicycles | C Land                               | 100%                                                                | 100%       |
| Subsix Limited               | Manufacture of leisure goods                     | Australia                            | 80%                                                                 | Nil        |
| Subseven Limited (ii), (iii) | Manufacture of leisure goods                     | Australia                            | 100%                                                                | Nil        |
| C Plus Limited               | Manufacture of electronic equipment              | Australia                            | 90%                                                                 | 90%        |
| Subsidiary A Limited         | Construction of commercial properties            | Australia                            | 45%                                                                 | 45%        |
| Subsidiary B Limited         | Manufacture of outdoor furniture                 | B Land                               | 45%                                                                 | 45%        |
| Partnership A                | Manufacture of electronic equipment              | C Land                               | 75%                                                                 | 75%        |
| AGAAP Trust                  | Service entity                                   | Australia                            | 100%                                                                | 100%       |
| BJV Limited                  | Manufacture of electronic equipment              | Australia                            | 95%                                                                 | 95%        |

Int. 1052:16(a)

ASIC-CI 2016/785  
s.6(v)(ii),(iii)

- (i) International GAAP Holdings Limited is the head entity within the tax-consolidated group.
- (ii) These companies are members of the tax-consolidated group.
- (iii) These wholly-owned subsidiaries have entered into a deed of cross guarantee with International GAAP Holdings Limited pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* and are relieved from the requirement to prepare and lodge an audited financial report. Subseven Limited became a party to the deed of cross guarantee on 5 December 2025.

Source

ASIC-CI 2016/785

20. Subsidiaries (continued)

Details required

ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 requires the following information in respect of parties to the deed of cross guarantee at the end of the financial year:

- Details (including dates) of parties to the deed of cross guarantee which, during or since the financial year have been added by an assumption deed, removed by a revocation deed or which are the subject of a notice of disposal (as required under the instrument)
- Details (including dates and reasons) of any entities which obtained relief under the instrument or ASIC Class Order 98/1418 at the end of the immediately preceding financial year but which were ineligible for relief in respect of the relevant financial year.

Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee

ASIC-CI 2016/785  
s.6(v)

The consolidated income statement and consolidated statement of financial position of the entities which are parties to the deed of cross guarantee:

Statement of comprehensive income

|                                                                                                 | Year ended |            |
|-------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                 | 31/12/2025 | 31/12/2024 |
|                                                                                                 | \$'000     | \$'000     |
| Revenue                                                                                         |            |            |
| Finance income – interest income                                                                |            |            |
| Finance income - other                                                                          |            |            |
| Changes in inventories of finished goods and work in progress                                   |            |            |
| Raw materials and consumables used                                                              |            |            |
| Employee benefits expense                                                                       |            |            |
| Depreciation and amortisation expense                                                           |            |            |
| Finance costs                                                                                   |            |            |
| Transport costs                                                                                 |            |            |
| Advertising costs                                                                               |            |            |
| Impairment of property, plant and equipment                                                     |            |            |
| Impairment of goodwill                                                                          |            |            |
| Other expenses                                                                                  |            |            |
| Restructuring costs                                                                             |            |            |
| Share of results of associates                                                                  |            |            |
| Share of results of joint ventures                                                              |            |            |
| Gains and losses arising from the derecognition of financial assets measured at amortised costs |            |            |
| Gains and losses on reclassification of financial assets from amortised cost to fair FVTPL      |            |            |
| Impairment losses (including reversals) on financial assets and contract assets                 |            |            |
| Gains and losses on reclassification of financial assets from FVTOCI to FVTPL                   |            |            |
| Other gains and losses                                                                          |            |            |
| Profit before tax                                                                               |            |            |
| Income tax expense                                                                              |            |            |
| Profit for the year from continuing operations                                                  |            |            |
| Loss for the year from discontinued operations                                                  |            |            |
| Profit for the year                                                                             |            |            |

## Source

**20. Subsidiaries (continued)****Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)****Statement of comprehensive income (continued)**

|                                                                                                                                                                     | 31/12/2025<br>\$'000 | 31/12/2024<br>\$'000 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Other comprehensive Income</b>                                                                                                                                   |                      |                      |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>                                                                                          |                      |                      |
| Gains/(losses) on property revaluation                                                                                                                              |                      |                      |
| Remeasurement of net defined benefit liability                                                                                                                      |                      |                      |
| Fair value gain/(loss) on investments in equity instruments designated as FVTOCI                                                                                    |                      |                      |
| Fair value gain/(loss) on financial liabilities designated as FVTPL attributable to changes in credit risk                                                          |                      |                      |
| Share of other comprehensive income of associates                                                                                                                   |                      |                      |
| Share of other comprehensive income of joint ventures                                                                                                               |                      |                      |
| Income tax relating to items that will not be reclassified subsequently to profit or loss                                                                           |                      |                      |
| <b>Items that may be reclassified subsequently to profit or loss:</b>                                                                                               |                      |                      |
| Debt instruments measured at FVTOCI                                                                                                                                 |                      |                      |
| - Fair value gain/(loss) on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal                                    |                      |                      |
| - Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal                              |                      |                      |
| - Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL |                      |                      |
| Cash flow hedges:                                                                                                                                                   |                      |                      |
| - Fair value gain/(loss) arising on hedging instruments during the period                                                                                           |                      |                      |
| - Less: Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss                                                                        |                      |                      |
| Foreign currency translation, net of investment hedges of a foreign operation:                                                                                      |                      |                      |
| - Foreign exchange differences on translation of foreign operations                                                                                                 |                      |                      |
| - Less: (Gain)/loss reclassified to profit or loss on disposal of foreign operation                                                                                 |                      |                      |
| - Gain/(loss) arising on hedging instruments designated in hedges of the net assets in foreign operation                                                            |                      |                      |
| - Less: (Gain)/loss on hedging instruments reclassified to profit or loss on disposal of foreign operation                                                          |                      |                      |

## Source

**20. Subsidiaries (continued)****Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)****Statement of comprehensive income (continued)**

|                                                                                                                                                      | <b>31/12/2025</b> | <b>31/12/2024</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                                                                      | <b>\$'000</b>     | <b>\$'000</b>     |
| Cost of hedging:                                                                                                                                     |                   |                   |
| - Changes in the fair value during the period in relation to transaction-related hedged items                                                        |                   |                   |
| - Changes in the fair value during the period in relation to time-period related hedged items                                                        |                   |                   |
| - Less: Cumulative (gain)/loss arising on changes in the fair value in relation to transaction-related hedged items reclassified to profit or loss   |                   |                   |
| - Less: Amortisation to profit or loss of cumulative (gain)/loss arising on changes in the fair value in relation to time-period related hedged item |                   |                   |
| Share of other comprehensive income of associates                                                                                                    |                   |                   |
| Share of other comprehensive income of joint ventures                                                                                                |                   |                   |
| Income tax relating to items that may be reclassified subsequently to profit or loss                                                                 |                   |                   |
| <b>Other comprehensive income for the year, net of income tax</b>                                                                                    |                   |                   |
| <b>Total comprehensive Income for the year</b>                                                                                                       |                   |                   |

Source

## 20. Subsidiaries (continued)

Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)

### Statement of financial position

|                                    | 31/12/2025<br>\$'000 | 31/12/2024<br>\$'000 |
|------------------------------------|----------------------|----------------------|
| <b>Current assets</b>              |                      |                      |
| Cash and cash equivalents          |                      |                      |
| Inventories                        |                      |                      |
| Investments                        |                      |                      |
| Rights to returned goods asset     |                      |                      |
| Contract assets                    |                      |                      |
| Contract costs                     |                      |                      |
| Financial lease receivables        |                      |                      |
| Trade and other receivables        |                      |                      |
| Derivative financial instruments   |                      |                      |
|                                    |                      |                      |
| Assets classified as held for sale |                      |                      |
| <b>Total current assets</b>        |                      |                      |
| <b>Non-current assets</b>          |                      |                      |
| Goodwill                           |                      |                      |
| Intangible assets                  |                      |                      |
| Property, plant and equipment      |                      |                      |
| Right-of-use assets                |                      |                      |
| Investment property                |                      |                      |
| Investments in associates          |                      |                      |
| Investments in joint ventures      |                      |                      |
| Investments in financial assets    |                      |                      |
| Finance lease receivables          |                      |                      |
| Deferred tax asset                 |                      |                      |
| Derivative financial assets        |                      |                      |
| Contract assets                    |                      |                      |
| Contract costs                     |                      |                      |
| <b>Total non-current assets</b>    |                      |                      |
| <b>Total assets</b>                |                      |                      |

## Source

**20. Subsidiaries (continued)****Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)****Statement of financial position (continued)**

|                                                                                     | 31/12/2025<br>\$'000 | 31/12/2024<br>\$'000 |
|-------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Current liabilities</b>                                                          |                      |                      |
| Trade and other payables                                                            |                      |                      |
| Current tax liabilities                                                             |                      |                      |
| Lease liabilities                                                                   |                      |                      |
| Borrowings                                                                          |                      |                      |
| Derivative financial liabilities                                                    |                      |                      |
| Other financial liabilities                                                         |                      |                      |
| Provisions                                                                          |                      |                      |
| Deferred income – government grant                                                  |                      |                      |
| Contract liabilities                                                                |                      |                      |
| Refund liability                                                                    |                      |                      |
|                                                                                     |                      |                      |
| Liabilities directly associated with non-current assets classified as held for sale |                      |                      |
| <b>Total current liabilities</b>                                                    |                      |                      |
| <b>Non-current liabilities</b>                                                      |                      |                      |
| Borrowings                                                                          |                      |                      |
| Convertible loan notes                                                              |                      |                      |
| Retirement benefit obligations                                                      |                      |                      |
| Deferred tax liabilities                                                            |                      |                      |
| Provisions                                                                          |                      |                      |
| Deferred income – government grant                                                  |                      |                      |
| Contract liabilities                                                                |                      |                      |
| Lease liabilities                                                                   |                      |                      |
| Liability for share-based payments                                                  |                      |                      |
| <b>Total non-current liabilities</b>                                                |                      |                      |
| <b>Total liabilities</b>                                                            |                      |                      |
| <b>Net assets</b>                                                                   |                      |                      |
| <b>Equity</b>                                                                       |                      |                      |
| Share capital                                                                       |                      |                      |
| Reserves                                                                            |                      |                      |
| Retained earnings                                                                   |                      |                      |
| <b>Total equity</b>                                                                 |                      |                      |
|                                                                                     |                      |                      |
| <b>Movement in retained earnings</b>                                                |                      |                      |
| <b>Retained earnings as at beginning of the financial year</b>                      |                      |                      |
| Net profit                                                                          |                      |                      |
| Dividends provided for or paid                                                      |                      |                      |
| Share buy-back                                                                      |                      |                      |
| <b>Retained earnings as at end of the financial year</b>                            |                      |                      |

## Source

## 20. Subsidiaries (continued)

### Financial support

AASB 12:14-17

When the Group gives financial support to a consolidated structured entity, the nature and risks (including the type and amount of support provided) should be disclosed in the financial statements. Refer AASB 12.14-17 for details.

### Requirements for additional consolidation information

ASIC-CI 2016/785  
s.6(v)

ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 requires the holding entity to include “additional consolidation information” in each of the following circumstances:

- Where the consolidated financial statements cover entities which are not members of the “closed group”, additional consolidation information in respect of the “closed group”
- Where the consolidated financial statements cover entities which are not parties to the deed of cross guarantee, additional consolidation information in respect of the consolidation of the holding entity and those entities which are parties to the deed of cross guarantee and controlled by the holding entity
- If there are parties to the deed of cross guarantee (other than a trustee or alternative trustee that is not a “group entity” within the meaning of the deed) which are not controlled by the holding entity, additional consolidated information in respect of those parties (either individually or in aggregate).

ASIC-CI 2016/785  
s.4

The additional consolidation information presented to comply with the requirements of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 includes:

- A statement of comprehensive income setting out the information specified by paragraphs 82 to 87 of AASB 101 *Presentation of Financial Statements*
- Opening and closing retained earnings, dividends provided for or paid and transfers to and from reserves
- A statement of financial position complying with paragraphs 54 to 60 of AASB 101.

In addition, elimination of all transactions between entities for which information is included in the additional consolidation information is required.

ASIC-CI 2016/785  
s.4(b)

Comparative information is required if the holding entity was a holding entity in the deed of cross guarantee in the prior financial year.

## 30. Leases (Group as a lessee) (not-for-profit and public sector)

AASB 16:Aus59.1-2

The Group leases a building from the [Name of State] State Government at significantly below-market terms and conditions, principally to enable it to further its objectives.

The Group is dependent on this lease to further its objectives as it utilises the building to run its operations to deliver its services. The Group is restricted on the use of the building as agreed with the [Name of State] State Government and may not utilise it for other purposes including sub-leasing to other entities. The lease term is for 10 years and the lease payments are \$\_\_\_\_ per annum, payable annually.

As outlined in the Group’s accounting policy in note 3, the Group has elected to measure this right-of-use asset at cost.



Source

AASB 1054:16

## 54. Notes to the cash flow statement

### Reconciliation of profit for the year to net cash flows from operating activities

When an entity uses the direct method to present its statement of cash flows, the financial statements must provide a reconciliation of the net cash flow from operating activities to profit or loss. The below disclosure is an additional disclosure for note 54. Refer note 54 in the core model financial statements for the remainder of the disclosures for notes to the cash flow statements.

|                                                                                   | Year ended<br>31/12/2025<br>\$'000 | Year ended<br>31/12/2024<br>\$'000 |
|-----------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| <b>Profit for the year</b>                                                        |                                    |                                    |
| <b>Adjustments for:</b>                                                           |                                    |                                    |
| Share of profit of associates                                                     |                                    |                                    |
| Share of profit of joint ventures                                                 |                                    |                                    |
| Finance income                                                                    |                                    |                                    |
| Other gains and losses                                                            |                                    |                                    |
| Finance costs                                                                     |                                    |                                    |
| Income tax expense                                                                |                                    |                                    |
| Gain on disposal of discontinued operation                                        |                                    |                                    |
| Depreciation of property, plant and equipment                                     |                                    |                                    |
| Impairment loss on fixtures and equipment                                         |                                    |                                    |
| Impairment losses, net of reversals, on financial assets                          |                                    |                                    |
| Amortisation of intangible assets                                                 |                                    |                                    |
| Impairment of goodwill                                                            |                                    |                                    |
| Share-based payment expenses                                                      |                                    |                                    |
| Fair value gain/loss on investment property                                       |                                    |                                    |
| Gain on disposal of property, plant and equipment                                 |                                    |                                    |
| Increase/(decrease) in provisions                                                 |                                    |                                    |
| Fair value gain/loss on derivatives and other financial assets held for trading   |                                    |                                    |
| Difference between pension funding contributions paid and the pension cost charge |                                    |                                    |
| <b>Operating cash flows before movements in working capital</b>                   |                                    |                                    |
| <b>Movements in working capital:</b>                                              |                                    |                                    |
| (Increase)/decrease in inventories                                                |                                    |                                    |
| (Increase)/decrease in trade and other receivables                                |                                    |                                    |
| (Increase)/decrease in contract assets                                            |                                    |                                    |
| (Increase)/decrease in contract costs                                             |                                    |                                    |
| (Increase)/decrease in right to returned goods assets                             |                                    |                                    |
| (Increase)/decrease in trade and other payables                                   |                                    |                                    |
| Increase/(decrease) in provisions                                                 |                                    |                                    |
| Increase/(decrease) in contract liabilities                                       |                                    |                                    |
| (Increase)/decrease in refund liability                                           |                                    |                                    |
| (Increase)/decrease in deferred income                                            |                                    |                                    |
| <b>Cash generated from operations</b>                                             |                                    |                                    |
| Interest paid                                                                     |                                    |                                    |
| Income taxes paid                                                                 |                                    |                                    |
| <b>Net cash generated by operating activities</b>                                 |                                    |                                    |

## Source

### 64. Related party transactions

The below disclosure is an additional disclosure for note 64. Refer note 64 in the core model financial statements for the remainder of the disclosures for related party transactions.

AASB 124:13,  
Aus 13.1(a),  
AASB 101:138(c)

The immediate parent and ultimate controlling party respectively of International GAAP Holdings Limited are X Holdings Limited (incorporated in *[M Land]*) and Y Holdings Limited (incorporated in *[N Land]*) respectively.

AASB 124:13

An entity discloses the name of the parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial reports available for public use, the name of the next most senior parent that does so is also disclosed.

AASB 124:Aus13.1

When any of the parent entities and/or ultimate controlling parties named in accordance with paragraph 13 of AASB 124 *Related Party Disclosures* is incorporated or otherwise constituted outside Australia, an entity:

- Identifies which of those entities is incorporated overseas and where
- Discloses the name of the ultimate controlling entity incorporated within Australia.

#### Australian definitions

AASB 124:Aus9.1

When applying AASB 124, the term "director" means:

- a person who is a director under the Corporations Act
- in the case of entities governed by bodies not called a board of directors, a person who, regardless of the name that is given to the position, is appointed to the position of member of the governing body, council, commission or authority.

"Remuneration" is "compensation" as defined in AASB 124.

AASB 124:Aus9.1.1

Although the defined term "compensation" is used in AASB 124 rather than the term "remuneration", both words refer to the same concept and all references in the Corporations Act to the remuneration of directors and executives is taken as referring to compensation as defined and explained in AASB 124.

## Source

**66. Remuneration of auditors**

ASIC-CI 2016/191

In making the following disclosure, entities must consider the extent to which *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* permits information about the remuneration of auditors to be rounded.

AASB 1054:BC8

Disclosures are made in the context of the scope of the entity reporting. Accordingly, in the case of a group, disclosures made in accordance with paragraph 10 would include fees paid by the parent and its subsidiaries for each of the parent and its subsidiaries.

|                         |                                                                                                | 31/12/2025<br>\$ | 31/12/2024<br>\$ |
|-------------------------|------------------------------------------------------------------------------------------------|------------------|------------------|
| AASB 1054:10, 11        | <b>Deloitte and related network firms*</b>                                                     |                  |                  |
| AASB 1054:10(a)         | Audit or review of financial reports:                                                          |                  |                  |
|                         | - Group                                                                                        |                  |                  |
|                         | - Subsidiaries and joint operations                                                            |                  |                  |
| (APES 110: R5410.30)    | Audit or review of sustainability reports:                                                     |                  |                  |
|                         | Group                                                                                          |                  |                  |
|                         | Subsidiaries and joint operations                                                              |                  |                  |
|                         | Statutory assurance services required by legislation to be provided by the auditor             |                  |                  |
|                         | Other assurance and agreed-upon procedures under other legislation or contractual arrangements |                  |                  |
| AASB 1054:10(b)         | Other services:                                                                                |                  |                  |
| s.300(11B)(a)           | Tax compliance services <sup>#</sup>                                                           |                  |                  |
| s.300(11B)(a)           | Other <i>[describe]</i>                                                                        |                  |                  |
| s.300(11B)(a), (11C)(a) | *The auditor of International GAAP Holdings Limited is Deloitte Touche Tohmatsu                |                  |                  |
| AASB 1054:10, 11        | <b>Other auditors and their related network firms</b>                                          |                  |                  |
| AASB 1054:10(a)         | Audit or review of financial reports:                                                          |                  |                  |
|                         | - Subsidiaries and joint operations                                                            |                  |                  |
|                         | - Other <i>[describe]</i>                                                                      |                  |                  |
|                         | Audit or review of sustainability reports:                                                     |                  |                  |
|                         | - Group                                                                                        |                  |                  |
|                         | - Subsidiaries and joint operations                                                            |                  |                  |

Source

## 66. Remuneration of auditors (continued)

|                  |                                                                                                | 31/12/2025<br>\$ | 31/12/2024<br>\$ |
|------------------|------------------------------------------------------------------------------------------------|------------------|------------------|
| AASB 1054:10, 11 | <b>Other auditors and their related network firms (continued)</b>                              |                  |                  |
|                  | Statutory assurance services required by legislation to be provided by the auditor             |                  |                  |
|                  | Other assurance and agreed-upon procedures under other legislation or contractual arrangements |                  |                  |
| AASB 1054:10(b)  | Other services:                                                                                |                  |                  |
| s.300(11B)(a)    | Tax compliance services <sup>#</sup>                                                           |                  |                  |
| s.300(11B)(a)    | Other <i>[describe]</i>                                                                        |                  |                  |
|                  |                                                                                                |                  |                  |
|                  |                                                                                                |                  |                  |

<sup>#</sup> These line items are provided by way of example only. The disclosures should provide sufficient detail of the amounts paid or payable to the auditor for each non-audit service.

### Suggested disclosure detail

In November 2020, the Federal Parliamentary Joint Committee on Corporations and Financial Services released *Regulation of Auditing in Australia: Final Report* (available at [parlinfo.aph.gov.au](http://parlinfo.aph.gov.au)). Included in this final report is a recommendation to establish defined categories and associated fee disclosure requirements in relation to audit and non-audit services. This recommendation was directed primarily at the Financial Reporting Council (FRC).

In the meantime, we encourage entities to provide transparent and expanded disclosures in their financial reports at 31 December 2025. Potential categories of disclosure may include:

- Fees to group auditor for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities (including joint operations)
- Fees for assurance services that are required by legislation to be provided by the auditor (e.g. for certain reporting to APRA, Queensland Building & Construction Commission reports, AFSL Form FS71)
- Fees for other assurance and agreed-upon procedures under other legislation or contractual arrangements (e.g. assurance on revenue information under a royalty agreement, comfort letters or agreed-upon procedures on other reports) when there is discretion as to whether the service is provided by the auditor or another firm
- Fees for other services (e.g. tax compliance).

### Disclosure of fees paid for assurance of sustainability report

APES 110:R5410.30  
APES 110:R5410.31 [Amendments](#) to APES 110 *Code of Ethics for Professional Accounting (including Independence Standards)* applying to financial reporting periods beginning on or after 1 January 2026, require the public disclosure of fees paid or payable to a Firm or Network Firm for a sustainability assurance engagement of a Public Interest Entity. Where the Public Interest Entity does not make the information public (commonly in the financial report), the Firm is required to publicly disclose the fees.

In the interests of transparency, the illustrative disclosure in this note includes separate disclosure of the fees for the audit or review of the sustainability report.

## Source

### 66. Remuneration of auditors (continued)

#### Additional guidance

AASB 1054:11

The nature and amount of each category of other services provided by a network firm of the auditor of a parent entity is disclosed in the notes to the financial statements.

Remuneration of international associates of Deloitte Touche Tohmatsu Australia is disclosed under “Fees to Deloitte and related network firms”.

“Network firm” is defined in APES 110 *Code of Ethics for Professional Accountants* as “a Firm or entity that belongs to a Network”.

*Firm* is defined in APES 110 as:

- A sole practitioner, partnership, corporation or other entity of professional accountants
- An entity that controls such parties through ownership, management or other means
- An entity controlled by such parties through ownership, management or other means, or
- An Auditor-General's office or department.

“Network” is defined in APES 110 as:

“A larger structure:

- (a) That is aimed at co-operation, and
- (b) That is clearly aimed at profit or cost sharing or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand-name, or a significant part of professional resources.”

The definition of “Network” is to be read in the context of the guidance provided in paragraphs 400.50 A1 to 400.54 A1 of APES 110.

#### Non-audit services

APES 110:R410.31(b)

Subject to limited exceptions<sup>94</sup>, a public interest entity (or the audit Firm) must publicly disclose fees for non-audit services. This includes fees charged to the entity (client) and its related entities over which the entity (client) has direct or indirect control that are consolidated in the financial statements on which the auditor expresses an opinion.

#### Listed companies

s.300(2),(2A)

Note: This disclosure may be provided in either the directors' report or in the financial report.

s..300(11B)(a), (11C)

Listed companies must disclose details of the amounts paid or payable to each auditor for non-audit services provided during the year by the auditor (or by another person or firm on the auditor's behalf). For the purposes of this requirement, the details required are the name of the auditor, and the dollar amount that the listed company or any entity that is part of the consolidated entity paid, or is liable to pay, for each of those non-audit services.

<sup>94</sup> For more detail see APES 110 R410:32.

## Source

### 67. Parent entity information

The parent entity financial information shown below has been prepared using accounting policies consistent with those applied in the consolidated financial statements. Set out below is material accounting policy information specific to the parent entity financial information.

#### Investments in subsidiaries, associates and joint ventures

AASB 127:16(c)

Investments in subsidiaries, associates and joint ventures are accounted for at cost.

#### Tax consolidation

Int 1052:8

Int 1052 *Tax Consolidation Accounting* requires the current and deferred taxes arising in a tax-consolidated group to be allocated to the members of the group when they issue separate financial statements.

Int 1052:9

The following methods are examples of acceptable allocation methods:

- A “stand-alone taxpayer” approach for each entity, as if it continued to be a taxable entity in its own right
- A “separate taxpayer within group” approach for each entity, on the basis that the entity is subject to tax as part of the tax-consolidated group. This method requires adjustments for transactions and events occurring within the tax-consolidated group that do not give rise to a tax consequence for the group or that have a different tax consequence at the level of the group
- A “group allocation” approach, under which the current and deferred tax amounts for the tax-consolidated group are allocated among each entity in the group (subject to certain limitations in paragraph 10).

More information about tax consolidation accounting can be found in the *Australian financial reporting guide*, available at [www.deloitte.com/au/models](http://www.deloitte.com/au/models)

The disclosures below illustrate the three acceptable tax allocation methods in Int 1052:9 and assume the parent entity is the head entity in the tax consolidated group and that a tax funding arrangement exists and mirrors the tax allocation method used under Interpretation 1052. Where the tax funding arrangement does not mirror the tax allocation method, the disclosures should be amended as relevant to the entity's specific circumstances.

Int 1052:16

The company and its wholly-owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The company is the head entity within the tax-consolidated group.

Where the “stand-alone taxpayer” approach is adopted, the following accounting policy wording may be adopted:

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a “stand-alone taxpayer” approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. Transactions within the group are notionally considered a transaction with an external party in each entity and the tax is accounted in the same manner as if the transaction were with a party external to the group. The same basis is used for tax allocation within the tax-consolidated group.

Source

## 67. Parent entity information (continued)

### Tax consolidation (continued)

Where the “separate taxpayer within group” approach is adopted, the following accounting policy wording may be adopted:

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a “separate taxpayer within group” approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred but does not tax effect transactions that have no tax consequences to the group. The same basis is used for tax allocation within the tax-consolidated group.

Set out below is an example of a “group allocation” approach. Where the entity uses an alternate group allocation method, the wording should be adapted to that method:

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a “group allocation” approach (specified in the tax funding arrangement) to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. The same basis is used for tax allocation within the tax-consolidated group.

The tax funding arrangement requires a notional current and deferred tax calculation for each entity as if it were a taxpayer in its own right, except that unrealised profits, distributions made and received and capital gains and losses and similar items arising on transactions within the tax-consolidated group are treated as having no tax consequence *[amend as applicable]*.

Source

## 67. Parent entity information (continued)

| Financial position                                       |                                                                                                  | 31/12/2025 | 31/12/2024 |
|----------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------|------------|
|                                                          |                                                                                                  | \$'000     | \$'000     |
| <b>Assets</b>                                            |                                                                                                  |            |            |
| Reg2M.3.01(a),(k)                                        | Current assets                                                                                   |            |            |
|                                                          | Non-current assets                                                                               |            |            |
| Reg2M.3.01(b),(k)                                        | <b>Total assets</b>                                                                              |            |            |
| <b>Liabilities</b>                                       |                                                                                                  |            |            |
| Reg2M.3.01(c), (k)                                       | Current liabilities                                                                              |            |            |
|                                                          | Non-current liabilities                                                                          |            |            |
| Reg2M.3.01(d),(k)                                        | <b>Total liabilities</b>                                                                         |            |            |
| <b>Equity</b>                                            |                                                                                                  |            |            |
| Reg2M.3.01(e),(k)                                        | Issued capital                                                                                   |            |            |
|                                                          | Retained earnings                                                                                |            |            |
|                                                          | Reserves:                                                                                        |            |            |
|                                                          | - General reserve                                                                                |            |            |
|                                                          | - Asset revaluation                                                                              |            |            |
|                                                          | - Investments revaluation                                                                        |            |            |
|                                                          | - Equity-settled employee benefits                                                               |            |            |
|                                                          | - Option premium on convertible notes                                                            |            |            |
|                                                          | - Other <i>[describe]</i>                                                                        |            |            |
|                                                          | <b>Total equity</b>                                                                              |            |            |
| <b>Financial performance</b>                             |                                                                                                  |            |            |
|                                                          |                                                                                                  | Year ended |            |
|                                                          |                                                                                                  | 31/12/2025 | 31/12/2024 |
|                                                          |                                                                                                  | \$'000     | \$'000     |
| Reg2M.3.01(f),(k)                                        | Profit for the year                                                                              |            |            |
|                                                          | Other comprehensive income                                                                       |            |            |
| Reg2M.3.01(g),(k)                                        | Total comprehensive income                                                                       |            |            |
| Reg2M.3.01(h),(k)                                        | <b>Guarantees entered into by the parent entity in relation to the debts of its subsidiaries</b> |            |            |
|                                                          |                                                                                                  | 31/12/2025 | 31/12/2024 |
|                                                          |                                                                                                  | \$'000     | \$'000     |
| Guarantee provided under the deed of cross guarantee (i) |                                                                                                  |            |            |

(i) International GAAP Holdings Limited has entered into a deed of cross guarantee with two of its wholly-owned subsidiaries, Subthree Limited and Subseven Limited.



Source

67. Parent entity information (continued)

|                    |                                                                                       |            |            |
|--------------------|---------------------------------------------------------------------------------------|------------|------------|
| Reg2M.3.01(i), (k) | Contingent liabilities of the parent entity                                           | 31/12/2025 | 31/12/2024 |
|                    |                                                                                       | \$'000     | \$'000     |
|                    | <i>[describe]</i>                                                                     | -          | -          |
| Reg2M.3.01(j), (k) | Commitments for the acquisition of property, plant and equipment by the parent entity | 31/12/2025 | 31/12/2024 |
|                    |                                                                                       | \$'000     | \$'000     |
|                    | <b>Plant and equipment</b>                                                            |            |            |
|                    | Not longer than 1 year                                                                |            |            |
|                    | Longer than 1 year and not longer than 5 years                                        |            |            |
|                    | Longer than 5 years                                                                   |            |            |

s.295(2), (3),  
Reg2M.3.01

Disclosures required in the notes to the consolidated financial statements

(1) Where consolidated financial statements are required by the accounting standards, the regulations require the notes to the financial statements of the consolidated entity to disclose:

(a) Current assets of the parent entity

(b) Total assets of the parent entity

(c) Current liabilities of the parent entity

(d) Total liabilities of the parent entity

(e) Shareholders' equity in the parent entity separately showing issued capital and each reserve

(f) Profit or loss of the parent entity

(g) Total comprehensive income of the parent company

(h) Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries

(i) Details of any contingent liabilities of the parent entity

(j) Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment

(k) Comparative information for the previous period for each of paragraphs (a) to (j)

(2) The disclosures in subregulation (1) must be calculated in accordance with accounting standards in force in the financial year to which the disclosure relates

(3) In the regulation: parent entity means a company, registered scheme or disclosing entity that is required by the accounting standards to prepare financial statements in relation to a consolidated entity.

# Consolidated entity disclosure statement

as at 31 December 2025

Below is an illustrative disclosure of a consolidated entity disclosure statement required by the Corporations Act (s.295(3A)(a)) which is suitable as a **guide** only. (For illustrative purposes, additional entities to those included in the International GAAP Holdings Limited consolidated financial statements are included in the below disclosure).

| Entity name                         | Entity type    | Body corporates              |                             | Tax residency           |                      |
|-------------------------------------|----------------|------------------------------|-----------------------------|-------------------------|----------------------|
|                                     |                | Place formed or incorporated | % of share capital held (i) | Australian tax resident | Foreign jurisdiction |
| International GAAP Holdings Limited | Body corporate | Australia                    | N/A                         | Yes (v)                 | N/A                  |
| Subone Limited (ii)                 | Body corporate | Australia                    | 90%                         | Yes                     | N/A                  |
| Subtwo Limited (ii)                 | Body corporate | Australia                    | 85%                         | Yes                     | N/A                  |
| Subthree Limited                    | Body corporate | Australia                    | 100%                        | Yes (v)                 | N/A                  |
| Subfour Limited                     | Body corporate | B Land                       | 70%                         | No                      | Jurisdiction B       |
| Subfive Limited                     | Body corporate | C Land                       | 100%                        | No                      | N/A (vi)             |
| Subsix Limited (iii)                | Body corporate | Australia                    | 80%                         | Yes                     | N/A                  |
| Subseven Limited                    | Body corporate | Australia                    | 100%                        | Yes (v)                 | N/A                  |
| C Plus Limited (iv)                 | Body corporate | Australia                    | 90%                         | Yes                     | N/A                  |
| Subsidiary A Limited                | Body corporate | Australia                    | 45%                         | Yes                     | N/A                  |
| Subsidiary B Limited (iv)           | Body corporate | B Land                       | 45%                         | No                      | Jurisdiction B       |
| Partnership A                       | Partnership    | N/A                          | N/A                         | No                      | Jurisdiction B & C   |
| AGAAP Trust                         | Trust (vii)    | N/A                          | N/A                         | Yes                     | N/A                  |
| B JV Limited                        | Body corporate | Australia                    | 95%                         | Yes                     | N/A                  |

Source: s.295(3A)(a)(i), (ii), (iv), (v),(vi), (vii)

## Source

- (i) Represents the economic interest in the entity as consolidated in the consolidated financial statements
- s.295(3A)(a)(iii) (ii) Participant in B JV Limited<sup>95</sup> which is consolidated in the consolidated financial statements
- s.295(3A)(a)(iii) (iii) Trustee of AGAAP Trust<sup>95</sup> which is consolidated in the consolidated financial statements
- s.295(3A)(a)(iii) (iv) These entities are partners in Partnership A<sup>95</sup> which is consolidated in the consolidated financial statements
- Not mandatory (v) This entity is part of a tax-consolidated group under Australian taxation law, for which International GAAP Holdings Limited is the head entity
- (vi) Subfive Limited is incorporated in Jurisdiction C. Under the law of Jurisdiction C there is no relevant law relating to foreign income tax<sup>96</sup>
- (vii) AGAAP Trust was formed as a Trust under Australian law. However, the trust is classified as a public trading trust under Australian tax law and is taxed as a company.

<sup>95</sup> The name of the entity is not required.

<sup>96</sup> The [explanatory memorandum](#) accompanying [Treasury Laws Amendment \(Fairer for Families and Farmers and Other Measures\) Act 2024](#) explains the following: “In some circumstances, the concept of tax residency may not apply to a reporting entity’s subsidiary – for example, where the subsidiary is not an Australian resident and there is no corporate tax system in the foreign jurisdiction in which the subsidiary is established and operates. An example is where the subsidiary is not an Australian resident, and is established and operated in the Cayman Islands. In these circumstances, the reporting entity should state that the subsidiary is not an Australian resident under subsection 295(3B) of the Corporations Act, and also not list the relevant foreign jurisdiction for the purposes of subparagraphs 295(3A)(a)(vi) and (vii) of the Corporations Act.”

## Source

**Basis of preparation**

The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3A)(a) of the *Corporations Act 2001*. The entities listed in the statement are International GAAP Holdings Limited and all the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

The percentage of share capital disclosed for bodies corporate included in the statement represents the *[economic interest consolidated in the consolidated financial statements / voting interest controlled by International GAAP Holdings Limited either directly or indirectly]*<sup>97</sup>.

## s.295(3B)

An entity is reported in the consolidated entity disclosure statement as being tax resident in Australia if it is:

- An Australian resident within the meaning of the *Income Tax Assessment Act 1997*
- A partnership at least one member of which is an Australian resident (within the meaning of the *Income Tax Assessment Act 1997*)
- A resident trust estate (within the meaning of Division 6 of Part III of the *Income Tax Assessment Act 1936*) in relation to the year of income (within the meaning of that Act).

*[In relation to the tax residency information included in the statement, judgement may be required in the determination of the residency of the entities listed.]* In developing the disclosures in the statement, the directors determined tax residency considering the following sources of information: *[describe source of information used to support the determination of tax residency e.g. current legislation, guidance in Taxation Ruling TR 2018/5]*.

**Changes to the consolidated entity disclosure statement**

On 10 December 2024, [amendments](#) to the Corporations Act received Royal Assent and became law. Included in these amendments are changes to the consolidated entity disclosure statement requirements in the Corporations Act to address interpretational and drafting matters.

In particular, the amendments clarify the tax residency disclosures to be included in the CEDS, as follows:

- That an entity that is an Australian tax resident under Australian tax law and foreign resident under the law of one or more foreign jurisdictions should include details of both the Australian and all foreign jurisdictions in the statement
- A partnership included in the statement should be listed as having Australian tax residency if at least one member of the partnership is an Australian resident (e.g. if a company in the group is an Australian tax resident and is a partner in the partnership). Corporate limited partnerships should be reported in accordance with existing tax residency requirements rather than this new legislative requirement
- A trust included in the statement is considered an Australian resident where the trust is a “resident trust estate” for the purposes of Australian tax law
- Entities included in the statement that are not an Australian tax resident and which are established and operate in a foreign jurisdiction lacking a corporate tax system (e.g. the Cayman Islands) should not list the foreign jurisdiction in the statement.

There is no clarification provided in relation to immaterial and dormant subsidiaries. [Existing ASIC guidance](#) explains that a public company must disclose all entities in the consolidated entity at year end, and that entities cannot be excluded on the basis of materiality.

The amendments are effective for financial years commencing on or after 1 July 2024. This means the new requirements should be applied for the first time by entities with December year ends for financial years ending on 31 December 2025.

The example consolidated entity disclosure statement included on the previous pages illustrates the impact of these amendments.

<sup>97</sup> Where the relevant interests have been footnoted in the statement itself, this statement need not be repeated in the basis of preparation.

ASIC INFO 284

### ASIC guidance on the consolidated entity disclosure statement

ASIC [Information Sheet 284](#) *Public companies to include a consolidated entity disclosure statement in their annual financial report* provides guidance for preparers of financial reports to ensure the consolidated entity disclosure statement complies with the requirements of the Corporations Act and is consistent with the policy intent of the legislation.

The Information Sheet provides the following guidance:

- The consolidated entity disclosure statement is a separate statement and does not form part of the notes to the financial statements, and so cannot be combined with the note on controlled entities required by Australian Accounting Standards
- Tax residence is a principle that is determined under the domestic tax rules of a country, and is relevant when considering how business income is taxed
- Treasury's media release confirms that entities that determine tax residency in good faith and in accordance with the Commissioner of Taxations' [public guidance](#), may declare that the tax residence status of a subsidiary is true and correct for the purposes of the statement
- The directors' declaration must state whether, in the directors' opinion, the consolidated entity disclosure statement is "true and correct". "True and correct" is a higher reporting requirement than under a true and fair or fair presentation framework for directors and executives
- The consolidated entity disclosure statement is not part of a true and fair or fair presentation framework and the materiality provisions of Australian Accounting Standards do not apply. All controlled entities must be included in the statement and entities cannot be excluded because of materiality (and so would include, e.g. newly acquired "shelf" companies, dormant companies and other entities excluded from the company's consolidation process on the basis of materiality)
- Section 307 of the Corporations Act implies that the auditor will obtain reasonable assurance that the consolidated entity disclosure statement and the opinion of the directors in the directors' declaration that the statement is true and correct are not misstated.

### AUASB guidance on the consolidated entity disclosure statement

[AUASB Bulletin](#) *Audit Implications of the Consolidated Entity Disclosure Statement* provides information about the reporting requirements and audit requirements related to the consolidated entity disclosure statement. The Bulletin includes example audit procedures and auditor's report.

Of relevance to preparers of consolidated entity disclosure statements, the Bulletin:

- Confirms the view (as expressed in the ASIC Information Sheet noted above) that "true and correct" is a higher reporting requirement than would be case under a true and fair view or fair presentation framework
- Explains that the auditor should assess the consolidated entity disclosure statement on the basis of qualitative materiality given the statement is a tax transparency measure
- Provides examples of disclosures in the consolidated entity disclosure statement that would be quantitatively material, including:
  - Newly acquired "shelf" companies and dormant companies
  - Tax residency disclosures.

s.295(3A)(b)

### Preparing the statement when consolidated financial statements are not prepared

Where a public company is not required to prepare consolidated financial statements, a consolidated entity disclosure statement is not required, but a statement that the entity is not required to prepare consolidated financial statements is required (rather than including information about each subsidiary). This statement is the consolidated entity disclosure statement for such a company.

Below is example wording where s.295(3A)(b) applies:

#### **Consolidated entity disclosure statement as at 31 December 2025**

Subsection 295(3A)(a) of the *Corporations Act 2001* does not apply to [Entity name/the company] as [Entity name/the company] is not required to prepare consolidated financial statements under Australian Accounting Standards.

#### **More information about the statement**

More information on the on the consolidated entity disclosure statement is provided in:

- [Clarity publication](#) *New consolidated entity disclosure statement*
- Section A4.3 *Consolidated entity disclosure statement*.

# ASX disclosures

Below are illustrative disclosures required by the ASX which are suitable as a **guide** only.

## Source

### Additional securities exchange information as at 12 March 2026

The below illustrative disclosures required by the ASX listing rules are included outside the financial statements. As a result, these disclosures are not subject to audit nor included or referenced in the notes in the financial statements.

ASX-LR 4.10

Additional securities exchange information must be current as at a date specified by the entity which must be on or after the entity's balance sheet date and not be more than 6 weeks before the annual report is given to the ASX.

### Number of holders of equity securities

ASX-LR 19.12

Equity securities include shares, units, options over issued or unissued securities, rights to any one of the former securities and convertible securities.

ASX-LR 4.10.5

#### Ordinary share capital

\_\_\_ fully paid ordinary shares are held by \_\_\_ individual shareholders.

\_\_\_ partly paid ordinary shares, paid to \_\_\_ cents, are held by \_\_\_ individual shareholders. \_\_\_ cents per share may be called up in the event of winding up the company.

ASX-LR 4.10.6

All issued ordinary shares carry one vote per share, however, partly paid shares do not carry the rights to dividends.

ASX-LR 4.10.5

#### Preference share capital

ASX-LR 4.10.16

\_\_\_ % converting non-participating preference shares are held by \_\_\_ individual shareholders.

\_\_\_ % redeemable cumulative preference shares are held by \_\_\_ individual shareholders.

ASX-LR 4.10.6

All issued converting non-participating preference shares and redeemable cumulative preference shares carry one vote per share, however, the right to vote is restricted to meetings convened for the purpose of reducing the capital or winding-up or sanctioning the sale of the undertaking of the Company or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the dividend on their particular class of preference shares is in arrears for more than six months.

ASX-LR 4.10.5

#### Convertible notes

\_\_\_ % fully paid convertible notes are held by \_\_\_ individual noteholders.

ASX-LR 4.10.6

Convertible notes do not carry a right to vote.

ASX-LR 4.10.5

#### Options

ASX-LR 4.10.16

\_\_\_ options are held by \_\_\_ individual option holders.

ASX-LR 4.10.6

Options do not carry a right to vote.

Source  
ASX-LR 4.10.7

Distribution of holders of equity securities

|                  | Fully paid ordinary shares |   | Partly paid ordinary shares |   | Redeemable preference shares |   | Converting non-participating preference shares |   | Convertible notes |   | Options |   |
|------------------|----------------------------|---|-----------------------------|---|------------------------------|---|------------------------------------------------|---|-------------------|---|---------|---|
|                  | #                          | % | #                           | % | #                            | % | #                                              | % | #                 | % | #       | % |
| 1 – 1,000        |                            |   |                             |   |                              |   |                                                |   |                   |   |         |   |
| 1,001 – 5,000    |                            |   |                             |   |                              |   |                                                |   |                   |   |         |   |
| 5,001 – 10,000   |                            |   |                             |   |                              |   |                                                |   |                   |   |         |   |
| 10,001 – 100,000 |                            |   |                             |   |                              |   |                                                |   |                   |   |         |   |
| 100,001 and over |                            |   |                             |   |                              |   |                                                |   |                   |   |         |   |

ASX-LR 4.10.8  
Holding less than a marketable parcel

Security holder distribution schedules under Listing Rule 4.10.7 should state both the number of holders and the percentage of securities held in each category.

In its [Listed@ASX Compliance Update no. 01/25](#) issued in February 2025 the ASX reported that it was undertaking surveillance on these disclosures and reminded that listed entities should disclose the percentage of securities held in each category.

ASX-LR 4.10.4

Substantial shareholders

| Ordinary shareholders | Fully paid ordinary shares<br>Number | Partly paid ordinary shares<br>Number |
|-----------------------|--------------------------------------|---------------------------------------|
| X Holdings Limited    |                                      |                                       |
| XYZ Nominees Limited  |                                      |                                       |
| White Pty Ltd         |                                      |                                       |

s.9

A substantial holder, in relation to a company and a trust which is a registered managed investment scheme, a substantial holder under s.671B of the Corporations Act.

A person has a substantial shareholding in a body corporate, or listed registered managed investment scheme, if:

- The total votes attached to voting shares in the body, or voting interests in the scheme, in which they or their associates:
  - Have relevant interests
  - Would have a relevant interest but for subsection 609(6) (market traded options) or 609(7) (conditional agreements)

is 5% or more of the total number of votes attached to voting shares in the body, or interests in the scheme, or

- The person has made a takeover bid for voting shares in the body, or voting interests in the scheme, and the bid period has started and not yet ended.

Source  
ASX-LR 4.10.4  
s.9

Substantial shareholders (continued)

A voting share means an issued share in the body that carries any voting rights beyond the following:

- A right to vote while a dividend (or part of a dividend) in respect of the share is unpaid
- A right to vote on a proposal to reduce the body's share capital
- A right to vote on a resolution to approve the terms of a buy-back agreement
- A right to vote on a proposal that affects the rights attached to the share
- A right to vote on a proposal to wind the body up
- A right to vote on a proposal for the disposal of the whole of the body's property, business and undertaking
- A right to vote during the body's winding up.

ASX-LR 4.10.9

Twenty largest holders of quoted equity securities

| Ordinary shareholders      | Fully paid ordinary shares |            | Partly paid ordinary shares |            |
|----------------------------|----------------------------|------------|-----------------------------|------------|
|                            | Number                     | Percentage | Number                      | Percentage |
| X Holdings Limited         |                            |            |                             |            |
| Woodstock Nominees Limited |                            |            |                             |            |
| White Pty Ltd              |                            |            |                             |            |
| The Perri Family Trust     |                            |            |                             |            |
| Vente Nominees Limited     |                            |            |                             |            |
| P.T. Pretor                |                            |            |                             |            |
| ELC Superannuation Trust   |                            |            |                             |            |
| Inkerman Pty Limited       |                            |            |                             |            |
| Overto Nominees Limited    |                            |            |                             |            |
| P.H. Taylor                |                            |            |                             |            |
| C.W. Gouday                |                            |            |                             |            |
| K.B. Cai                   |                            |            |                             |            |
| T.P. Kowood                |                            |            |                             |            |
| W.L. Yeo Family Trust      |                            |            |                             |            |
| Stock Pty Limited          |                            |            |                             |            |
| D.E. Portier               |                            |            |                             |            |
| A.L. Lauff                 |                            |            |                             |            |
| P.D. Kimm                  |                            |            |                             |            |
| C.P. Daniels               |                            |            |                             |            |
| C.J. Chambers              |                            |            |                             |            |
| Simichy Nominees Limited   |                            |            |                             |            |
|                            |                            |            |                             |            |
|                            |                            |            |                             |            |



## Source

ASX-LR 4.10.9

## Twenty largest holders of quoted equity securities (continued)

| Convertible noteholders    | Convertible notes |            |
|----------------------------|-------------------|------------|
|                            | Number            | Percentage |
| Woodstock Nominees Limited |                   |            |
| Kowski Nominees Limited    |                   |            |
| White Pty Ltd              |                   |            |
| Smith Trust                |                   |            |
| Giles Nominees Limited     |                   |            |
| P.T. Pretor                |                   |            |
| Insurance Company Limited  |                   |            |
| P.H Taylor Family Trust    |                   |            |
| Vente Nominees Limited     |                   |            |
| C.W. Gouday                |                   |            |
| K.B. Cai                   |                   |            |
| T.P. Saw                   |                   |            |
| Stock Pty Limited          |                   |            |
| Hill Nominees Limited      |                   |            |
| A.L. Lauff                 |                   |            |
| P.C. Ford                  |                   |            |
| Hanky Pty Limited          |                   |            |
| D.E. Rendall               |                   |            |
| Motter Trust               |                   |            |
| Simichy Nominees Limited   |                   |            |
|                            |                   |            |
|                            |                   |            |

ASX-LR 4.10.16

## Unquoted equity security holdings greater than 20%

|                                                       | Number |
|-------------------------------------------------------|--------|
| <b>Converting non-participating preference shares</b> |        |
| Y Holdings Limited                                    |        |
|                                                       |        |

Disclosure of the name of the holder and the number of equity securities held, where a person holds more than 20% of the equity securities in an unquoted class, is not required where the securities were issued or acquired under an employee incentive scheme.

## Source

ASX-LR 4.10.10

### Company secretary

Mr A.B. Grey

ASX-LR 4.10.11

### Registered office

10th Floor  
ALD Centre  
255 Deloitte Street  
SYDNEY NSW 2000  
Tel: (02) 5550 7000

### Principal administration office

1st Floor  
167 Admin Ave  
SYDNEY NSW 2000  
Tel: (02) 7010 2000

ASX-LR 4.10.12

### Share registry

ELC Share Registry Services  
Level 1  
50 Bridge Street  
SYDNEY NSW 2000  
Tel: (02) 5550 1000

### Other ASX information

#### All listed entities

ASX-LR 4.10.14

The number and class of restricted securities or securities subject to voluntary escrow that are on issue, and the date that the escrow period ends, must be disclosed.

ASX-LR 4.10.18

An entity discloses whether there is a current on-market buy-back. That is, if an Appendix 3C has been given to the ASX for an on-market buy-back and no Appendix 3F has been given to the ASX for that buy-back.

ASX-LR 4.10.21

A summary of any issues of securities approved for the purposes of Item 7 of s.611 of the Corporations Act which have not yet been completed must be disclosed.

ASX-LR 4.10.22

If during the reporting period any securities of an entity were purchased on-market:

- Under or for the purposes of an employee incentive scheme, or
- To satisfy the entitlements of the holder of options or other rights to acquire securities granted under an employee incentive scheme,

an entity discloses the following information:

- The total number of securities purchased during the reporting period
- The average price per security at which the securities were purchased during the reporting period.

ASX-LR 4.10.13

### Securities exchange listings

Where the entity is listed on a securities exchange other than the Australian Securities Exchange, the name of that exchange must be disclosed.

## Source

ASX-LR 4.10.20

### Other ASX information (continued)

#### For listed investment entities

Listed investment entities must disclose:

- A list of all investments held by it and its child entities at the balance date
- The level 1, level 2 and level 3 inputs used to value its investments in accordance with Australian Accounting Standard AASB 13 *Fair Value Measurement* \*
- The net tangible asset backing of its quoted securities at the beginning and end of the reporting period and an explanation of any change therein over that period
- The total number of transactions in listed and unlisted securities and derivatives during the reporting period, together with the total brokerage paid or accrued during the period
- The total management fees paid or accrued during the reporting period, together with a summary of any management agreement.

\* *This can be disclosed in the financial statements in the entity's annual report*

ASX-LR 19.12

An investment entity is an entity which, in ASX's opinion, is an entity to which both of the following apply:

- Its activities or the principal part of its activities consist of investing (directly or through a child entity) in listed or unlisted securities or futures contracts
- Its objectives do not include exercising control over or managing any entity, or the business of any entity, in which it invests.

In deciding whether an entity is an investment entity ASX will normally have regard to factors including the extent of board representation, the size of the holdings, the investment period and the amount of cash held by the entity.

#### For listed mining companies

ASX-LR 5.6

Statements in the annual report of mining entities must comply with 5.7 to 5.24 and Appendix 5A of the Listing Rules.

#### Annual reporting

ASX-LR 5.20

A mining exploration entity must include in its annual report:

- The mining tenements held by the mining exploration entity and its child entities and their location
- The percentage interest it or they held in each mining tenement.

ASX-LR 5.21

A mining entity must include a mineral resources and ore reserves statement in its annual report which includes:

- A summary of the results of the mining entity's annual review of its ore reserves and mineral resources
- As at the mining entity's end of financial year (or such other appropriate disclosed date\*), the mining entity's mineral resource and ore reserves holdings in tabular form by commodity type (including grade or quality), by ore reserve category and mineral resource category, and by geographical area based on the materiality of the mineral resources and ore reserves holdings to the mining entity
  - \* Where the mining entity reports as a date other than the end of its financial year, the entity must include a brief explanation of any material changes in the mineral resources and ore reserves in the period between the date of annual review of its ore reserves and mineral resources and the end of financial year balance date
- A comparison of the mining entity's mineral resources and ore reserves holdings against that from the previous year including an explanation of any material changes in the mineral resources and ore reserve holdings from the previous year
- A summary of the governance arrangements and internal controls that the mining entity has put in place with respect to its estimates of mineral resources and ore reserves and the estimation process.

## Source

### Other ASX information (continued)

#### For listed mining companies (continued)

In its [Listed@ASX Compliance Update no. 01/25](#) issued in February 2025 ASX announced two focus areas for entities making public announcements about exploration results:

- The headers of announcements in relation to exploration results should convey a fair and balanced impression of the suite of exploration results, so entities should avoid mentioning only the best/highest grade assay results in the header of an announcement in circumstances where that result is either not representative of the suite of assays or is an anomalous result inconsistent with the suite of assays
- When an entity reports metal equivalents as a way to report polymetallic exploration results expressed in a single equivalent grade of one major metal, this information may be misleading unless additional details, such as assumed metallurgical recoveries for all metals included in the metal equivalent calculation, are also provided. Clause 50 of the JORC Code lists the minimum information that must accompany a public report that includes metal equivalents.

#### For listed oil and gas companies

Statements in the annual report of oil and gas companies must comply with Listing Rules 5.25 to 5.44.

#### Annual reporting

ASX-LR 5.37

An oil and gas exploration entity must include in its annual report:

- The petroleum tenements held by the oil and gas exploration entity and its child entities and their locations
- The percentage interest it or they held in each petroleum tenement.

ASX-LR 5.38

An oil and gas entity that reports to the Securities and Exchange Commission of the United States of America (SEC) and files an SEC Form 10-K or 20-F Report with a US oil and gas reserves statement is not required to comply with the annual reserves statement requirements under ASX Listing Rule 5.39. In such a case, immediately after filing any such form or report with the SEC, the oil and gas entity must give a copy of the form or report to ASX for release to the market.

ASX-LR 5.39

Except where the above exception applies, an oil and gas entity must include a reserves statement in its annual report including the following information:

- As at the oil and gas entity's end of financial year balance date, the oil and gas entity's petroleum reserves holdings in tabular form reporting on the basis of total "1P" petroleum reserves and "2P" petroleum reserves (split between developed and undeveloped reserves by product) and by total aggregated "1P" and "2P" reserves by product and geographical area (split between developed and undeveloped petroleum reserves by geographical area)
- If the oil and gas entity has material unconventional petroleum resources, separate identification of the proportion of total "1P" and "2P" reserves that are based on unconventional petroleum resources
- A reconciliation of the oil and gas entity's petroleum reserves holdings against that from the previous year, including an explanation of any material changes from the previous year
- Specific information about any material concentrations of undeveloped petroleum reserves in material oil and gas projects which have remained undeveloped after 5 years from the date they were initially reported (including any work the entity is proposing to undertake towards development of the undeveloped petroleum reserves)
- A summary of the governance arrangements and internal control that the oil and gas entity has put in place, including the frequency and scope of any reviews or audits undertaken with respect to its estimates of petroleum reserves and the estimation process.

## Source

### Other ASX information (continued)

#### For listed oil and gas companies (continued)

##### Annual reporting (continued)

ASX-LR 5.25.7

Estimates of petroleum reserves in the reserves statement in the annual report must be reported in appropriate units for each individual product type reported. If estimates are also reported in units of equivalency, either of oil or gas, the entity must disclose in the report the conversion factor used.

ASX-LR 5.40

An oil and gas entity that:

- Reports on oil and gas entity level or other aggregated estimates of contingent resources in its reserve statement in its annual report, or
- Is exempt from the requirement to include a reserves statement in its annual report but wishes to report on oil and gas entity level or other aggregated estimates of contingent resources, by including that information in its annual report or in a statement to be provided to the ASX for release to the market with its annual report,

must include the following information in that reserve statement, annual report or other statement (as the case requires):

- Total 2C contingent resources by product
- Aggregated 2C contingent resources by product and geographical area
- Estimates of contingent resources must be made in the appropriate resources must be made for each individual product type reported. If estimates are also reported in units of equivalency either of oil or gas, the entity must disclose in the report the conversion factor used, in accordance with rule 5.25.7
- A reconciliation of the oil and gas entity's total 2C contingent resources holdings against that from the previous year, including an explanation of any material changes in those holdings from the previous year
- If the oil and gas entity has material unconventional petroleum resources, it must separately identify the portion of the total 2C contingent resources that are based on unconventional petroleum resources.

#### For recently listed entities

ASX-LR 4.10.19

In the first two annual financial reports after admission to the ASX, where an entity is admitted under ASX Listing Rule 1.3.2(b) or is required to comply with ASX Listing Rule 1.3.2(b) because of the application of ASX Listing Rule 11.1.3, the entity must state whether the entity used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. If the use was not consistent, an explanation of how the cash and assets were used must be disclosed.

# ASX Corporate Governance Principles and Recommendations

Corporate governance is a system of rules, practices, policies and processes by which a company is directed and controlled. It aims at balancing the interests of a company's stakeholders and furthermore, good corporate governance promotes investor confidence. The ASX Corporate Governance Principles and Recommendations (Principles and Recommendations) set out recommended corporate governance practices for entities listed on the ASX.

The Principles and Recommendations are not mandatory. As a result if a listed entity considers that a recommended principles/recommendation is not appropriate for the entity to adopt, it is entitled not to adopt it. However, the entity must explain why it has not adopted the principle/recommendation – seen as the “if not, why not” approach.

Unlisted entities are not required to report against the Principles and Recommendations however, may choose to adopt the Principles and Recommendations.



## Proposed fifth edition of the Corporate Governance Council Principles and Recommendations

On 27 February 2024, the ASX Corporate Governance Council released [consultation materials](#) for a proposed fifth edition of the Corporate Governance Council Principles and Recommendations.

The consultation proposed to remove 7 recommendations where there is significant regulation or duplication in Australian law, to add 4 recommendations for entities established outside of Australia and add or amend 10 general recommendations with the purpose of strengthening listed entities' governance and increasing transparency for investors.

After an extensive consultation process, the ASX Corporate Governance Council decided to discontinue the project. On 20 February 2025 the ASX Corporate Governance Council [confirmed](#) that the current Fourth Edition of the Corporate Governance Principles and Recommendations will remain in effect without change.

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## Fourth edition of the Corporate Governance Council Principles and Recommendations

The principles set out below are those outlined in the fourth edition of the [Corporate Governance Principles and Recommendations](#) which was issued in February 2019.

The ASX corporate governance considerations applicable to listed entities are set out below:

| Source                                                               | Requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASX-LR 4.10.3                                                        | <p><a href="#">Australian Securities Exchange Listing Rule 4.10.3</a> requires companies to disclose the extent to which they have complied with the best practice recommendations of the ASX Corporate Governance Council during the reporting period. This disclosure is required either in the annual report or the annual report should include a link to the company's corporate governance statement on the company's website. Where a recommendation has not been followed for any part of the reporting period, the corporate governance statement must separately identify that recommendation and the period during which it was not followed and the entity must justify the reason for the non-compliance and what (if any) alternative governance practices it has adopted.</p> <p>The corporate governance statement must also:</p> <ul style="list-style-type: none"> <li>Specify the date at which it is current (must be entity's balance sheet date or a later date specified by the entity)</li> <li>State that it has been approved by the board of the entity or the board of the responsibility entity of a trust.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                   |
| ASX-GN 9                                                             | <p><b>Recommendations</b></p> <p>To assist companies in complying with the guidelines, the ASX has issued <a href="#">Guidance Note 9 "Disclosure of Corporate Governance Practices"</a>, most recently amended to reflect amendments made by the ASX Corporate Governance Council in January 2020 to reflect the fourth edition of the Principles and Recommendations issued in February 2019 (which apply to the first full financial year commencing on or after 1 January 2020).</p> <p>It is important that listed entities refer to the complete document when preparing their reports as they provide comprehensive and invaluable guidance in relation to implementation of the Principles and Recommendations. The recommendations of the ASX Corporate Governance Council, including corporate governance practices and suggested disclosures, are set out below. The recommendations are differentiated between the eight core principles that the ASX Corporate Governance Council believes underlie good corporate governance. Entities must disclose any instances of non-compliance with these recommendations.</p>                                                                                                                                                                                                                                                                                                                                                                                    |
| Corporate Governance Principles and Recommendations (Fourth Edition) | <p><b>Principle 1 – Lay solid foundations for management and oversight</b></p> <ol style="list-style-type: none"> <li>A listed entity should have and disclose a board charter setting out: <ol style="list-style-type: none"> <li>The respective roles and responsibilities of its board and management</li> <li>Those matters expressly reserved to the board and those delegated to management.</li> </ol> </li> <li>A listed entity should: <ol style="list-style-type: none"> <li>Undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director</li> <li>Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</li> </ol> </li> <li>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</li> <li>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</li> <li>A listed entity should: <ol style="list-style-type: none"> <li>Have and disclose a diversity policy</li> <li>Through its board or committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally</li> <li>Disclose in relation to each reporting period:</li> </ol> </li> </ol> |

| Source | Requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | <ol style="list-style-type: none"> <li>1. The measurable objectives set for that period to achieve gender diversity</li> <li>2. The entity's progress towards achieving those objectives</li> <li>3. Either: <ol style="list-style-type: none"> <li>a. The respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes), or</li> <li>b. If the entity is a "relevant employer" under the Workforce Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined and published under that Act.</li> </ol> </li> </ol> <p>If the entity was in the S&amp;P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>                                                                                                                                                                                                                                                                                                                      |
| 1.6    | <p>A listed entity should:</p> <ol style="list-style-type: none"> <li>(a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors</li> <li>(b) Disclose, for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 1.7    | <p>A listed entity should:</p> <ol style="list-style-type: none"> <li>(a) Have and disclose a process for periodically evaluating the performance of its senior executives at least once each reporting period</li> <li>(b) Disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|        | <p><b>Principle 2 - Structure the board to be effective and add value</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2.1    | <p>The board of a listed entity should:</p> <ol style="list-style-type: none"> <li>(a) Have a nomination committee which: <ol style="list-style-type: none"> <li>1. Has at least three members, a majority of whom are independent directors, and</li> <li>2. Is chaired by an independent director</li> </ol> <p>and disclose</p> <ol style="list-style-type: none"> <li>3. The charter or the committee</li> <li>4. The members of the committee</li> <li>5. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or</li> </ol> </li> <li>(b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</li> </ol>                                                                                                                                                                                                                                                                                           |
| 2.2    | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 2.3    | <p>A listed entity should disclose:</p> <ol style="list-style-type: none"> <li>(a) The names of the directors considered by the board to be independent directors</li> <li>(b) If a director has an interest, position, association or relationship of the type described below but the board is of the opinion that it does not compromise the independence of the directors, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion: <ul style="list-style-type: none"> <li>- The director is, or has been, employed in the executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board</li> <li>- The director receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the entity</li> <li>- The director is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship</li> </ul> </li> </ol> |



| Source | Requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | <ul style="list-style-type: none"> <li>- The director is, represents, or is or has been within the last three year an officer or employee of, or professional adviser to, a substantial holder</li> <li>- The director has close personal ties with any person who falls within any of the categories described above</li> <li>- The director has been a director of the entity for such a period that their independence from management and substantial holds may have been compromised.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|        | (c) The length of service of each director.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 2.4    | A majority of the board of a listed entity should be independent directors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 2.5    | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 2.6    | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|        | <b>Principle 3 – Instil a culture of acting lawfully, ethically and responsibly</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 3.1    | A listed entity should articulate and disclose its values                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 3.2    | A listed entity should: <ul style="list-style-type: none"> <li>(a) Have and disclose a code of conduct for its directors, senior executives and employees</li> <li>(b) Ensure that the board or a committee of the board is informed of any material breaches of that code.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3.3    | A listed entity should: <ul style="list-style-type: none"> <li>(a) Have and disclose a whistleblower policy</li> <li>(b) Ensure that the board or a committee of the board is informed of any material incidents reported under that policy</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3.4    | A listed entity should: <ul style="list-style-type: none"> <li>(a) Have and disclose and anti-bribery and corruption policy</li> <li>(b) Ensure that the board or a committee of the board is informed of any material breaches of that policy.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|        | <b>Principle 4 - Safeguard the integrity of corporate reports</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 4.1    | The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) Have an audit committee which: <ol style="list-style-type: none"> <li>1. Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors, and</li> <li>2. Is chaired by an independent director, who is not the chair of the board</li> </ol> and disclose: <ol style="list-style-type: none"> <li>3. The charter of the committee</li> <li>4. The relevant qualifications and experience of the members of the committee</li> <li>5. In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or</li> </ol> </li> <li>(b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</li> </ul> |
| 4.2    | The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 4.3    | A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Source | Requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | <p><b>Principle 5 - Make timely and balanced disclosures</b></p> <p>5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1</p> <p>5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p> <p>5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p> <p><b>Principle 6 - Respect the rights of security holders</b></p> <p>6.1 A listed entity should provide information about itself and its governance to investors via its website</p> <p>6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors</p> <p>6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders</p> <p>6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands</p> <p>6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p> <p><b>Principle 7 - Recognise and manage risk</b></p> <p>7.1 The board of a listed entity should:</p> <p>(a) Have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> <li>Has at least three members, a majority of whom are independent directors</li> <li>Is chaired by an independent director</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>The charter of the committee</li> <li>The members of the committee</li> <li>As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or</li> </ol> <p>(b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> <p>7.2 The board or a committee of the board should:</p> <p>(a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with the due regard to the risk appetite set by the board</p> <p>(b) Disclose, in relation to each reporting period, whether such a review has taken place.</p> <p>7.3 A listed entity should disclose:</p> <p>(a) If it has an internal audit function, how the function is structured and what role it performs, or</p> <p>(b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes</p> <p>7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p> <p><b>Principle 8 - Remunerate fairly and responsibly</b></p> <p>8.1 The board of a listed entity should:</p> <p>(a) Have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>Has at least three members, a majority of whom are independent directors, and</li> <li>Is chaired by an independent director</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>The charter of the committee</li> <li>The members of the committee</li> </ol> |

| Source | Requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | <p>5. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or</p> <p>(b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive</p> <p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> <p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> <li>• Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme</li> <li>• Disclose that policy or a summary of it.</li> </ul> <p><b>Additional recommendations that apply only in certain cases</b></p> <p>9.1 A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p> <p>9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p> <p>9.3 A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> <p><b>Externally managed listed entities</b></p> <p>The current version of the Corporate Governance Principles and Recommendations includes additional guidance on the application of the recommendations to externally managed entities.</p> <p>The following recommendations are those which do not apply:<br/>1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 2.1, 2.2, 2.4, 2.5, 2.6, 8.1, 8.2, 8.3, 9.1 and 9.2.</p> <p>The entity may simply state that these recommendations are “not applicable” in its corporate governance statement.</p> <p>For the following recommendations the normal requirements do not apply, but in lieu of these requirements alternative recommendations apply:<br/>1.1, 8.1, 8.2 and 8.3.</p> <p>The recommendations and alternative recommendations listed below, apply to externally managed listed entities with specific guidance on application:</p> <ul style="list-style-type: none"> <li>• Alternative recommendation 1.1 – The responsible entity of an externally managed listed entity should disclose (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements</li> <li>• Alternative recommendation 8.1, 8.2 and 8.3 – An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</li> </ul> |

# Tax transparency report

## Source



### Proposed changes to the Voluntary Tax Transparency Code

In June 2025, the Board of Taxation [released](#) a proposed update to the Voluntary Tax Transparency Code.

The draft updated code would:

- Introduce separate requirements based on whether or not a business is a “Public CBC reporter”, minimising duplication with public country-by-country reporting requirements under the *Tax Administration Act 1953*
- Include a new requirement to provide a reconciliation to the ATO Corporate Tax Transparency Disclosures
- Include example templates for voluntary tax transparency code reporting for “Public CBC reporters” and “Non-public CBC reporters”
- Include optional elements throughout the code
- Include a self-assessment reporting checklist.

Consultation on the proposed revised code closed on 11 July 2025. At the date of finalisation of this publication (24 September 2025) a finalised code has not been released, and the Board of Taxation have indicated finalisation in the second quarter of 2025.

The information in this section has not been updated for these developments.

### Basis of preparation

This tax transparency report of GAAP Holdings Limited has been prepared considering the requirements of the Voluntary Tax Transparency Tax Code (V TTC) released by the Federal Government Board of Taxation in February 2016.

This report does not consider the consultation paper issued by the Board of Taxation in February 2019 arising from the post implementation review of the Tax Transparency Code or the Draft Appendix to the Code issued by the Australian Accounting Standards Board as these have not been finalised.

The report is prepared for the income year ended 31 December 2025 and the comparative period 31 December 2024. All amounts in this report are presented in Australian Dollars (\$).

## Source

Tax transparency code  
– Part B

### Tax policy, tax strategy and governance summary

As a minimum requirement for large businesses<sup>98</sup> the tax policy, tax strategy and governance summary should provide information about the business's tax policy or tax strategy, including its:

- Approach to risk management and governance arrangements
- Attitude towards tax planning
- Accepted level of risk in relation to taxation
- Approach to engagement with the ATO.

[Describe]

Tax transparency code  
– Part B

Large and medium businesses<sup>98</sup> should provide additional information identified as of interest to the community:

- An overview of the business's operations (perhaps adapted from the directors' report)
- Its approach to engagement with other tax authorities
- A description of the assurance regimes it is subject to, e.g. internal audit, external audit, Advance Compliance Agreements, Advance Pricing Arrangements and ATO pre-lodged compliance review.

[Describe]

Tax transparency code  
– Part A

### Reconciliation of accounting profit to income tax expense and from income tax expense to income tax paid or income tax payable

As a minimum requirement, large and medium businesses should provide a reconciliation of accounting profit to income tax expense, and from income tax expense to income tax paid or income tax payable (identifying material temporary and non-temporary differences).

Draft Appendix to the  
Tax Transparency Code  
paragraph 54

The reconciliation required by the VTTC builds on the disclosure requirements of AASB 112. Accordingly, entities may want to make the reconciliation disclosure required by the VTTC in financial statements to minimise duplication.

Note 12 of the consolidated financial statements of International GAAP Holdings Limited provides a reconciliation of the consolidated accounting profit to income tax expense prepared for the statutory accounts in accordance with Australian Accounting Standards.

Draft Appendix to the  
Tax Transparency Code  
paragraph 65

The following transactions gave rise to differences between tax and accounting during the period:

- *Impairment loss on property, plant and equipment*
- *Deferred revenue assessable for tax*
- *Non-deductible legal costs*
- *Non-refundable carry forward tax offsets from research and development*
- *Capital expenditure deductible over 5 years*
- *Different tax rates from the Australian tax rate*
- [Describe]

<sup>98</sup> 'Large businesses' are defined in the Tax Transparency code as businesses with aggregated Voluntary Tax Transparency Code (VTTC) Australian turnover of AUD 500 million or more. 'Medium businesses' are defined as businesses with aggregated VTTC Australian turnover of at least AUD 100 million but less than AUD 500 million.

## Source

**Reconciliation of accounting profit to income tax expense and from income tax expense to income tax paid or income tax payable (continued)**

Below is a reconciliation of International GAAP Holdings Limited's accounting profit to current income tax expense.

|                                                                    | 31/12/2025<br>\$'000 | 31/12/2024<br>\$'000 |
|--------------------------------------------------------------------|----------------------|----------------------|
| Profit before tax                                                  |                      |                      |
| Income tax calculated at 30% (2024: 30%)                           |                      |                      |
| <b>Non-temporary differences – tax effected at 30%</b>             |                      |                      |
| Non-deductible expenses                                            |                      |                      |
| Non-assessable income                                              |                      |                      |
| Unfranked dividends                                                |                      |                      |
| Impairment of tax depreciable intangible asset                     |                      |                      |
| [Other - describe]                                                 |                      |                      |
| <b>Current tax expense – current year</b>                          |                      |                      |
| Under/(over) provision of current tax                              |                      |                      |
| <b>Current tax expense</b>                                         |                      |                      |
| <b>Temporary differences – tax effected at 30%</b>                 |                      |                      |
| Fair value (gain)/loss on investment property                      |                      |                      |
| Gains on shares designated as at fair value through profit or loss |                      |                      |
| Difference between accounting and tax depreciation                 |                      |                      |
| [Other - describe]                                                 |                      |                      |
| <b>Deferred tax expense</b>                                        |                      |                      |
| <b>Income tax expense recognised</b>                               |                      |                      |
| <b>Material temporary and non-temporary differences</b>            |                      |                      |
| [Describe]                                                         |                      |                      |

Tax transparency code  
– Part A**Income taxes payable and paid**

Set out below is the estimated income tax payable and paid to the ATO.

|                                                                | 31/12/2025<br>\$'000 | 31/12/2024<br>\$'000 |
|----------------------------------------------------------------|----------------------|----------------------|
| Income tax payable at the beginning of the year                |                      |                      |
| Less prior year over provision of current tax (see above)      |                      |                      |
| Less income tax paid during the year                           |                      |                      |
| Current tax expense – current year (see above)                 |                      |                      |
| Current tax – recognised in equity                             |                      |                      |
| Current tax – recognised in other comprehensive income         |                      |                      |
| <b>Income taxes payable at the end of the reporting period</b> |                      |                      |
| Less current year over provision of current tax                |                      |                      |
| Add income tax paid during the year                            |                      |                      |
| <b>Income taxes paid during the reporting period</b>           |                      |                      |

## Source

Tax transparency code  
– Part A

### Australian accounting effective tax rate (ETR) and a global ETR

As a minimum requirement, large and medium business should disclose an Australian accounting effective tax rate (ETR) and a global ETR for the worldwide accounting consolidated group calculated based on company tax expense.

In addition, where relevant, large and medium businesses should provide an additional ETR based on total tax expense, including taxes other than income tax (particularly in some industries).

Draft Appendix to the  
Tax Transparency Code  
paragraph 32

### Accounting profit

“Accounting profit” is not defined in the VTTC, but is defined by the Australian Accounting Standards as profit or loss per the statement of comprehensive income (i.e. before income tax expense) or its equivalent.

Draft Appendix to the  
Tax Transparency Code  
paragraph 33

Subsequent to the finalisation of the VTTC, the Board of Tax has indicated to the AASB that for the purposes of the VTTC, the use of the term “accounting profit” was not intended to restrict the denominator in calculating VTTC ETRs to accounting profit as defined by Australian Accounting Standards. Accordingly, this guidance allows entities to use either accounting profit in accordance with accounting standards or other measures of profits, such as underlying earnings, where this is considered more relevant to users.

Draft Appendix to the  
Tax Transparency Code  
paragraph 36

### Australian and global operations

The VTTC defines “global operations” to mean the entity’s worldwide accounting consolidated group. Accordingly, this will include all entities consolidated in accordance with AASB 10 *Consolidated Financial Statements* if there is an Australian parent, IFRS 10 *Consolidated Financial Statements* or an equivalent relevant national accounting standard where the parent is not Australian.

Draft Appendix to the  
Tax Transparency Code  
paragraph 43

For global operations calculations the consolidated group for accounting purposes is used for both the VTTC ETR and accounting ETR.

Draft Appendix to the  
Tax Transparency Code  
paragraph 37

An entity’s Australian operations for the purposes of the Australian VTTC ETR calculation should encompass:

- Companies, partnerships or trusts established under Australian law (regardless of where they operate)
- Australian permanent establishments as per Australian tax law, if not otherwise captured.

AASB 112.86

### VTTC ETR versus accounting ETR

As per AASB 112 *Income Taxes* the average effective tax rate is the tax expense (income) divided by the accounting profit.

Draft Appendix to the  
Tax Transparency Code  
paragraph 43

The VTTC ETR may differ to the accounting ETR as a result of the following differences:

- Numerator – tax expense: For VTTC ETR it is the company tax expense only whereas the accounting ETR is broader as it includes taxes based on profit e.g. Petroleum Resource Rent Tax
- Denominator – accounting profit: For VTTC ETR it is the accounting profit per the accounting standards, or alternative measures such as underlying earnings for. However for accounting ETR it is the accounting profit per accounting standards.

Draft Appendix to the  
Tax Transparency Code  
paragraph 45

Where the VTTC and accounting ETRs differ, to avoid misleading users of either the financial statements or a separate taxes paid report, the VTTC ETRs are considered non-IFRS numbers. Accordingly, both the accounting and VTTC ETRs should be presented together, regardless of where the VTTC ETRs are located.

## Source

**Australian accounting effective tax rate (ETR) and a global ETR (continued)**

The effective tax rate (ETR) set out below is calculated as income tax expense divided by accounting profit.

International GAAP Holdings Limited's accounting and VTTC ETR for Australian and global operations are the same.

|                                    | <b>31/12/2025</b> | <b>31/12/2024</b> |
|------------------------------------|-------------------|-------------------|
|                                    | <b>\$'000</b>     | <b>\$'000</b>     |
| Income tax expense                 |                   |                   |
| Accounting profit before tax       |                   |                   |
| Accounting and VTTC effective rate | ___ %             | ___ %             |

**Deferred tax**

|                                             | <b>31/12/2024</b> | <b>Movement</b> | <b>31/12/2025</b> |
|---------------------------------------------|-------------------|-----------------|-------------------|
|                                             | <b>\$'000</b>     | <b>\$'000</b>   | <b>\$'000</b>     |
| <b>Deferred tax assets</b>                  |                   |                 |                   |
| Provisions and accruals                     |                   |                 |                   |
| Tax losses                                  |                   |                 |                   |
| Retirement benefit obligations              |                   |                 |                   |
| Lease liabilities                           |                   |                 |                   |
| Share-based payments                        |                   |                 |                   |
| <i>[Other – describe]</i>                   |                   |                 |                   |
| <b>Deferred tax liabilities</b>             |                   |                 |                   |
| Accelerated tax depreciation                |                   |                 |                   |
| Revaluation of building                     |                   |                 |                   |
| Deferred development costs                  |                   |                 |                   |
| Revaluation of financial assets             |                   |                 |                   |
| Convertible loan note – equity component    |                   |                 |                   |
| Intangible assets                           |                   |                 |                   |
| Right-of-use assets                         |                   |                 |                   |
| Investment property                         |                   |                 |                   |
| Investment in shares                        |                   |                 |                   |
| <i>[Other – describe]</i>                   |                   |                 |                   |
| <b>Net deferred tax asset / (liability)</b> |                   |                 |                   |



Source

Tax transparency code  
– Part B

Australian tax contribution summary

A tax contribution summary, with core and optional elements:

- As a minimum requirement for large businesses disclose Australian corporate income tax

In addition, where relevant, large businesses should disclose:

- Other Australian taxes and imposts paid to government, for example Petroleum Resource Rent Tax, royalties, excises, payroll taxes, stamp duties, fringe benefits tax and state taxes
- Government imposts collected by the business on behalf of others, e.g. GST and Pay As You Go withholding taxes.

The VTTC suggests that businesses consider the use of charts, diagrams and trend data to improve communication of this information to the public.

Tax paid by International GAAP Holdings Limited

International GAAP Holdings Limited pays the following Australian federal and state taxes:

|                                                                | 31/12/2025 |        |        | 31/12/2024 |        |        |
|----------------------------------------------------------------|------------|--------|--------|------------|--------|--------|
|                                                                | Federal    | State  | Total  | Federal    | State  | Total  |
|                                                                | \$'000     | \$'000 | \$'000 | \$'000     | \$'000 | \$'000 |
| Corporate income tax                                           |            |        |        |            |        |        |
| Fringe benefits tax (FBT)                                      |            |        |        |            |        |        |
| Withholding taxes on dividends, interest, invoices without ABN |            |        |        |            |        |        |
| Property taxes                                                 |            |        |        |            |        |        |
| Payroll tax                                                    |            |        |        |            |        |        |
| Petroleum resource rent tax                                    |            |        |        |            |        |        |
| [Other - describe]                                             |            |        |        |            |        |        |
| Total                                                          |            |        |        |            |        |        |

The above example shows the split of taxes between Federal and State governments. This is considered good practice but may not be strictly required by the VTTC.

Tax collected on behalf of the Australian tax authorities

In addition to the taxes paid above, International GAAP Holdings Limited collected the following amounts on behalf of Australian tax authorities:

|                                  | 31/12/2025 | 31/12/2024 |
|----------------------------------|------------|------------|
|                                  | \$'000     | \$'000     |
| New goods and services tax (GST) |            |            |
| Pay as you go (PAYG) withholding |            |            |
| [Other - describe]               |            |            |
| Total                            |            |            |

Source

Tax transparency code  
– Part B

International related party dealings summary

As a minimum requirement for large businesses an international related party dealings summary should provide a qualitative disclosure of key categories of dealings with offshore related parties which have a material impact on the business's Australian taxable income, including the nature of material categories of dealings and the country in which the related party is located.

[Describe]

The table below sets out details of GAAP Holdings Limited’s International related party dealings

| Country    | Nature of transactions | 31/12/2025<br>\$'000 | 31/12/2024<br>\$'000 |
|------------|------------------------|----------------------|----------------------|
| [Describe] | [Describe]             |                      |                      |
| [Describe] | [Describe]             |                      |                      |
| [Describe] | [Describe]             |                      |                      |



# Appendix 5 – Details of reporting pronouncements

## 5.1 Financial reporting pronouncements applicable to all entities

The table below outlines new and revised Standards (effective and not yet effective at 31 December 2025) which apply to all entities and indicates the effective date and whether it is applicable for reporting periods (full and half-year) ending 31 December 2025. Tier 1 entities are required to comply with all the recognition, measurement, presentation and disclosure requirements of all the pronouncements listed (from their mandatory application date). Tier 2 entities are required to comply with the recognition and measurement requirements of all pronouncements (from their mandatory application date) and are also required to apply most presentation requirements.

| New or revised requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | When effective                                                | Applicability at 31 December 2025     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------|
| <b>AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability</b><br>Amends AASB 121 <i>The Effects of Changes in Foreign Exchange Rates</i> by specifying how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Annual reporting periods beginning on or after 1 January 2025 | Mandatory (full years and half-years) |
| <p>When a currency is not exchangeable at the measurement date, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction at the measurement date between market participants under prevailing economic conditions. In that case, an entity is required to disclose information that enables users of its financial statements to evaluate how the currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.</p> <p>An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.</p> <p>More information: see A3.2 for more detailed discussion and <a href="#">IGAAP in Focus</a> <i>IASB amends IAS 21 to clarify when a currency is exchangeable and how to determine the exchange rate when it is not</i>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                               |                                       |
| <b>AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments</b><br>Amends AASB 9 <i>Financial Instruments</i> and AASB 7 <i>Financial Instruments: Disclosures</i> by introducing the following changes:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Annual reporting periods beginning on or after 1 January 2026 | Optional                              |
| <ul style="list-style-type: none"> <li>Allowing derecognition of financial liabilities settled using an electronic payment system before the settlement date provided certain criteria are met. The amendments do not extend this exception to derecognition of financial assets settled via an electronic transfer, as it was clarified that financial assets are derecognised only when contractual rights to the cash flows from the financial assets expire, which is when cash is received</li> <li>Clarifying how contractual cash flows characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed for the purpose of classification of the financial assets</li> <li>Amending disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adding disclosure requirements for financial instruments with contractual terms that could change the timing or amount of contractual cash flows on contingent events.</li> </ul> <p>The amendments should be applied retrospectively from the beginning of the annual reporting period in which an entity first applies the amendments. An entity is not required to restate prior periods, however it may restate prior periods, if it is possible to do it without the use of hindsight.</p> <p>More information: <a href="#">IGAAP in Focus</a>: <i>Financial Reporting: IASB issues amendments to the classification and measurement requirements of financial instruments</i>.</p> |                                                               |                                       |

| New or revised requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | When effective                                                       | Applicability at 31 December 2025 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------|
| <p><b>AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11</b></p> <p>Amends:</p> <ul style="list-style-type: none"> <li>• AASB 1 <i>First-time Adoption of Australian Accounting Standards</i>: hedge accounting by a first-time adopter</li> <li>• AASB 7 <i>Financial Instruments: Disclosures</i>: gain or loss on derecognition, disclosure of deferred difference between fair value and transaction price, and credit risk disclosures</li> <li>• AASB 9 <i>Financial Instruments</i>: derecognition of lease liabilities and transaction price</li> <li>• AASB 10 <i>Consolidated Financial Statements</i>: determination of a “de facto agent”</li> <li>• AASB 107 <i>Statement of Cash Flows</i>: cost method.</li> </ul> <p>These annual improvements are sufficiently minor or narrow in scope and are limited to changes that either clarify the wording in an AASB Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements of the standards.</p> <p>For more information see <a href="#">iGAAP in Focus</a> <i>Financial reporting: IASB issues amendments to IFRS Accounting Standards as part of its annual improvements process</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>Annual reporting periods beginning on or after 1 January 2026</p> | <p>Optional</p>                   |
| <p><b>AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity</b></p> <p>Amends AASB 9 <i>Financial Instruments</i> and AASB 7 <i>Financial Instruments: Disclosures</i> by introducing additional guidance for contracts referencing nature-dependent electricity (often structured as power purchase agreements) which are characterised by contractual features exposing an entity to variability in the underlying amount of electricity caused by uncontrollable natural conditions (for example, the weather) which affect generation of electricity from renewable sources, such as sun and wind. Scoped-in contracts include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity.</p> <p>Amendments added application guidance to AASB 9 to clarify “own-use” criteria for contracts to buy electricity generated from nature-dependent sources. When an entity is required to buy electricity during a delivery interval in which it cannot use it and has no practical ability to avoid selling unused electricity to the market, “own-use” criteria would be met if the entity has been, and expects to be, a net purchaser of electricity for the contract period. An entity is a net purchaser of electricity if it buys sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity.</p> <p>In respect of for hedges of forecast electricity transactions the amendments to AASB 9 permit to designate a variable nominal amount of forecast electricity transaction as the hedged item that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument. The other hedge accounting requirements in AASB 9 continue to apply to such a hedging relationship.</p> <p>Amendments to AASB 7 introduced additional disclosure requirements in respect of contracts to buy nature-related electricity that meet the “own-use” requirements.</p> <p>For more information see <a href="#">iGAAP in Focus</a> <i>Financial reporting: IASB finalises amendments on contracts that reference nature-dependent electricity</i></p> | <p>Annual reporting periods beginning on or after 1 January 2026</p> | <p>Optional</p>                   |

| New or revised requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | When effective                                                                                                                                                                                                                              | Applicability at 31 December 2025 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <p><b>AASB 18 <i>Presentation and Disclosure in Financial Statements</i></b></p> <p>Replaces AASB 101 <i>Presentation of Financial Statements</i>, introducing enhanced requirements for the presentation of financial statements, including:</p> <ul style="list-style-type: none"> <li>• In the statement of profit or loss, introducing new required categories (operating, investing and financing) and subtotals (“operating profit” and “profit before financing and income taxes”)</li> <li>• Disclosures about management-defined performance measures (MPMs), limited to subtotals of income and expenses and requiring: <ul style="list-style-type: none"> <li>• A reconciliation of the MPM to an IFRS-defined subtotal</li> <li>• An explanation of why the MPM is reported</li> <li>• An explanation of how the MPM is calculated</li> <li>• An explanation of any changes to the MPM</li> </ul> </li> <li>• Enhanced guidance on grouping of information (aggregation and disaggregation), including guidance on whether information should be presented in the primary financial statements or disclosed in the notes, and disclosures about items labelled as “other”.</li> </ul> | <p>Annual reporting periods beginning on or after 1 January 2027<br/><i>(for-profit entities)</i></p> <p>Annual reporting periods beginning on or after 1 January 2028<br/><i>(not-for-profit entities and superannuation entities)</i></p> | Optional                          |
| <p>For for-profit entities (other than superannuation entities applying AASB 1056 <i>Superannuation Entities</i>) preparing Tier 1 general purpose financial statements, AASB 18 applies to annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                             |                                   |
| <p>For not-for-profit private sector entities, not-for-profit public sector entities and superannuation entities applying AASB 1056, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. Earlier application is also permitted for these entities. This delayed date is to allow the AASB to consult with stakeholders to assess whether AASB 18 should be amended for application by these entities.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                             |                                   |
| <p>More information: <a href="#">iGAAP in Focus</a> <i>Financial reporting: IASB publishes new standard on presentation and disclosure in financial statements</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                             |                                   |

| New or revised requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | When effective                                                                              | Applicability at 31 December 2025                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <p><b>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended<sup>99</sup>)</b></p> <p>The amendments to AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> (amendments) deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture.</p> <p>Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.</p> <p><i>Note: The equivalent amendments to IFRS 10 and IAS 28 have no set commencement date due to amendments made by the IASB, pending further research in other projects. AASB 2015-10 extended the application date of the equivalent amendments to 1 January 2018. AASB 2017-5 extended the application date of the amendments from 1 January 2018 to 1 January 2022, and also made a number of editorial amendments to other standards which are effective for annual periods beginning on or after 1 January 2018. AASB 2021-7 then further extended the application date of the amendments from 1 January 2022 to 1 January 2025, and also made a number of editorial amendments to other standards, which are effective for either annual periods beginning on or after 1 January 2022 or 1 January 2023 (for those in respect of AASB 17 "Insurance Contracts"). In addition, AASB 2024-4b extended the application date of the amendments from 1 January 2025 to 1 January 2028.</i></p> <p><i>In September 2024 the IASB published an exposure draft <a href="#">IASB/ED/2024/7 Equity Method of Accounting</a> to address broader questions about application of the equity method of accounting, including an inconsistency between requirements of IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in respect of accounting of transactions between an investor and its associate or joint venture. The IASB is proposing to resolve this inconsistency by requiring that an investor recognise in full gains and losses resulting from all "upstream" and "downstream" transactions with its associates or joint ventures, including transactions involving the loss of control of a subsidiary. As this proposal is different from the previous amendments to IFRS 10 and IAS 28, the IASB is proposing to abandon the amendments. The Exposure Draft comment period was closed for IASB on 20 January 2025 and <a href="#">for AASB</a> on 22 November 2024. The IASB will decide the project's direction in the fourth quarter of 2025. Readers should ensure that any amendments made after 24 September 2025 are considered.</i></p> <p>More information:</p> <ul style="list-style-type: none"> <li>• <a href="#">IFRS in Focus</a> IASB publishes amendments to IFRS 10 and IAS 28 (2011) dealing with the sale or contribution of assets between an investor and its joint venture or associate</li> <li>• <a href="#">iGAAP in Focus</a> Financial reporting: IASB proposes amendments to IAS 28 to answer application questions on how an investor applies the equity method</li> </ul> | Annual reporting periods beginning on or after 1 January 2028 (see note in previous column) | Mandatory (editorial corrections)<br><br>Optional (main amendments) |

<sup>99</sup> AASB 2015-10 is amended by AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections, AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections and AASB 2024-4b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128.

## 5.2 Financial reporting pronouncements applicable to Tier 2 entities only

The table below outlines new and revised Standards (effective and not yet effective at 31 December 2025) which apply to all entities and indicates the effective date and whether it is applicable for reporting periods (full and half-year) ending 31 December 2025 for Tier 2 entities only. Tier 2 entities are required to comply with the recognition and measurement requirements of all pronouncements (from their mandatory application date) and are also required to apply most presentation requirements.

| New or revised requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | When effective                                      | Applicability at 31 December 2025 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------|
| <p><b>AASB 2025-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures</b></p> <p>Amends AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i> to require an entity to disclose information about financial instruments with contingent features that do not relate directly to basic lending risks and costs so that financial statement users can better understand the effect of contractual terms that could change the amount of contractual cash flows. Tier 2 entities are required to disclose:</p> <ul style="list-style-type: none"> <li>• A qualitative description of the nature of the contingent event</li> <li>• Quantitative information about the possible changes to contractual cash flows that could result from those contractual terms</li> <li>• The gross carrying amount of financial assets and the amortised cost of financial liabilities subject to those contractual terms.</li> </ul>             | Annual periods beginning on or after 1 January 2026 | Optional                          |
| <p><b>AASB 2025-3 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures</b></p> <p>Amends AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i> to add new disclosure requirements for Tier 2 entities that recognise nature-dependent electricity contracts meeting the “own-use” criteria as procurement contracts. Amendments require Tier 2 entities to disclose the following information:</p> <ul style="list-style-type: none"> <li>• Information about contractual features that expose the entity to variability in the underlying amount of electricity and the risk that the entity would be required to purchase electricity at a time when the entity cannot use the electricity</li> <li>• Qualitative information about how the entity assesses whether a contract might become onerous</li> <li>• Qualitative information about the effects on the entity’s financial performance for the reporting period.</li> </ul> | Annual periods beginning on or after 1 January 2026 | Optional                          |



### 5.3 Financial reporting pronouncements applicable to not-for-profit entities and public sector entities only

The table below outlines new and revised pronouncements which apply only to not-for-profit and public entities.

| New or revised requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | When effective                                             | Applicability at 31 December 2025 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------|
| <p><b>AASB 17 Insurance Contracts (and related amending Standards), AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</b></p> <p>AASB 2022-8 made amendments to all Australian Accounting Standards that refer to AASB 17 <i>Insurance Contracts</i> to permit public sector entities (both for-profit and not-for-profit entities) to continue to apply AASB 4 <i>Insurance Contracts</i> and AASB 1023 <i>General Insurance Contracts</i> until annual periods beginning on or after 1 July 2026, when they are required to apply AASB 17.</p> <p>It also repeals AASB 1038 <i>Life Insurance Contracts</i> and supersedes Interpretation 1047 <i>Professional Indemnity Claims Liabilities in Medical Defence Organisations</i> for annual periods beginning on or after 1 January 2023, on the basis that AASB 17 applies to those periods in respect of private sector entities and the pronouncements are not relevant to public sector entities.</p> <p>AASB 2022-9 amends AASB 17 <i>Insurance Contracts</i> to include modifications that apply to public sector entities. This Standard also amends AASB 1050 <i>Administered Items</i> to provide an accounting policy choice for government departments to apply either AASB 17 or AASB 137 <i>Provisions, Contingent Liabilities and Contingent Liabilities</i> in determining the information to be disclosed about administered captive insurer activities.</p> | Annual reporting periods beginning on or after 1 July 2026 | Optional                          |

## 5.4 Australian sustainability reporting pronouncements

The table below outlines the sustainability disclosure standards made by the AASB based on equivalent ISSB standards. For more information see section B.

| New or revised requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Effective date                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information</b><br>Sets out overall principles for sustainability reporting: <ul style="list-style-type: none"> <li>Includes a requirement to identify and disclose material information about all sustainability-related risks and opportunities, not only climate-related risks and opportunities, that could reasonably be expected to affect an entity's prospects (subject to a transitional relief)</li> <li>Provides guidance on how to develop disclosures for a topic to which no IFRS Sustainability Disclosure Standard applies.</li> </ul> <p>More information:</p> <ul style="list-style-type: none"> <li><a href="#">Section B2</a> Australian sustainability reporting requirements</li> <li><a href="#">Clarity publication</a> A new era in sustainability reporting.</li> </ul>            | Voluntary<br><br>Annual reporting periods beginning on or after 1 January 2025        |
| <b>AASB S2 Climate-related Disclosures</b><br>Sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. <p>Applies to:</p> <ul style="list-style-type: none"> <li>Climate-related risks to which the entity is exposed, which are climate-related physical risks and climate-related transition risks</li> <li>Climate-related opportunities available to the entity.</li> </ul> <p>More information:</p> <ul style="list-style-type: none"> <li><a href="#">Section B2</a> Australian sustainability reporting requirements</li> <li><a href="#">Section E</a> Sustainability report</li> <li><a href="#">Clarity publication</a> A new era in sustainability reporting</li> </ul> | Mandatory starting from annual reporting periods beginning on or after 1 January 2025 |

# Appendix 6 – Abbreviations

The following abbreviations are used in this publication:

| Abbreviation                                                                    | Description                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB                                                                            | Australian Accounting Standards Board                                                                                                                                                                                                                                                                                                                                       |
| ACNC                                                                            | The Australian Charities and Not-for-profits Commission                                                                                                                                                                                                                                                                                                                     |
| AFS                                                                             | Australian financial services                                                                                                                                                                                                                                                                                                                                               |
| AIS                                                                             | Annual information statement                                                                                                                                                                                                                                                                                                                                                |
| AGM                                                                             | Annual general meeting                                                                                                                                                                                                                                                                                                                                                      |
| AUASB                                                                           | Australian Auditing and Assurance Standards Board                                                                                                                                                                                                                                                                                                                           |
| Australian Accounting Standards                                                 | Australian Accounting Standards issued by the Australian Accounting Standards Board                                                                                                                                                                                                                                                                                         |
| ASA                                                                             | Australian Auditing Standard issued by the Auditing and Assurance Standards Board                                                                                                                                                                                                                                                                                           |
| ASIC                                                                            | Australian Securities & Investments Commission                                                                                                                                                                                                                                                                                                                              |
| ASIC-CI                                                                         | Australian Securities and Investments Commission Corporations Instrument issued pursuant to s.341(1) of the <i>Corporations Act 2001</i>                                                                                                                                                                                                                                    |
| ASIC-RG                                                                         | Australian Securities and Investments Commission Regulatory Guide                                                                                                                                                                                                                                                                                                           |
| ASRS                                                                            | Australian Sustainability Reporting Standards issued by the Australian Accounting Standards Board                                                                                                                                                                                                                                                                           |
| ASX                                                                             | Australian Securities Exchange                                                                                                                                                                                                                                                                                                                                              |
| ASX-LR                                                                          | Australian Securities Exchange Limited Listing Rule                                                                                                                                                                                                                                                                                                                         |
| ASX-GN                                                                          | Australian Securities Exchange Limited Guidance Note                                                                                                                                                                                                                                                                                                                        |
| ATO                                                                             | Australian Tax Office                                                                                                                                                                                                                                                                                                                                                       |
| CCIV                                                                            | Corporate Collective Investment Vehicle                                                                                                                                                                                                                                                                                                                                     |
| Corporations Act                                                                | <i>Corporations Act 2001</i>                                                                                                                                                                                                                                                                                                                                                |
| Disclosing information about anticipated financial effects educational material | <a href="#">IFRS Foundation publication</a> <i>Disclosing information about anticipated financial effects applying ISSB Standards</i> (August 2025)                                                                                                                                                                                                                         |
| Disclosing information about an entity's climate-related transition             | <a href="#">IFRS Foundation publication</a> <i>Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2</i> (June 2025)                                                                                                                                                                |
| ED                                                                              | Exposure Draft issued by the Australian Accounting Standards Board, the International Accounting Standards Board or the International Sustainability Standards Board                                                                                                                                                                                                        |
| FVTOCI                                                                          | Fair value through other comprehensive income                                                                                                                                                                                                                                                                                                                               |
| FVTPL                                                                           | Fair value through profit or loss                                                                                                                                                                                                                                                                                                                                           |
| GHG                                                                             | Greenhouse gas                                                                                                                                                                                                                                                                                                                                                              |
| GPFS                                                                            | General purpose financial statements                                                                                                                                                                                                                                                                                                                                        |
| Greenhouse Gas Emissions educational material                                   | <a href="#">IFRS Foundation publication</a> <i>Greenhouse Gas Emissions Disclosure requirements applying IFRS S2 Climate-related Disclosures – Educational material</i> (May 2025) and equivalent <a href="#">AASB publication</a> <i>Greenhouse Gas Emissions Disclosure requirements applying AASB S2 'Climate-related Disclosures – Education Material</i> (August 2025) |

| Abbreviation                             | Description                                                                                                |
|------------------------------------------|------------------------------------------------------------------------------------------------------------|
| IASB                                     | International Accounting Standards Board (IASB®)                                                           |
| IFRIC                                    | IFRS Interpretations Committee                                                                             |
| IFRS Accounting Standards                | International Financial Reporting Standards (IFRS®) issued by the International Accounting Standards Board |
| IFRS Sustainability Disclosure Standards | IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board        |
| Int                                      | Interpretation issued by the Australian Accounting Standards Board                                         |
| ISSB                                     | International Sustainability Standards Board                                                               |
| ITAA 1997                                | <i>Income Tax Assessment Act 1997</i>                                                                      |
| OCI                                      | Other comprehensive income                                                                                 |
| OFR                                      | Operating and financial review                                                                             |
| Reg                                      | Regulation of the <i>Corporations Regulations 2001</i>                                                     |
| s.                                       | Section of the <i>Corporations Act 2001</i>                                                                |
| Tax Administration Act                   | <i>Tax Administration Act 1953</i>                                                                         |



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